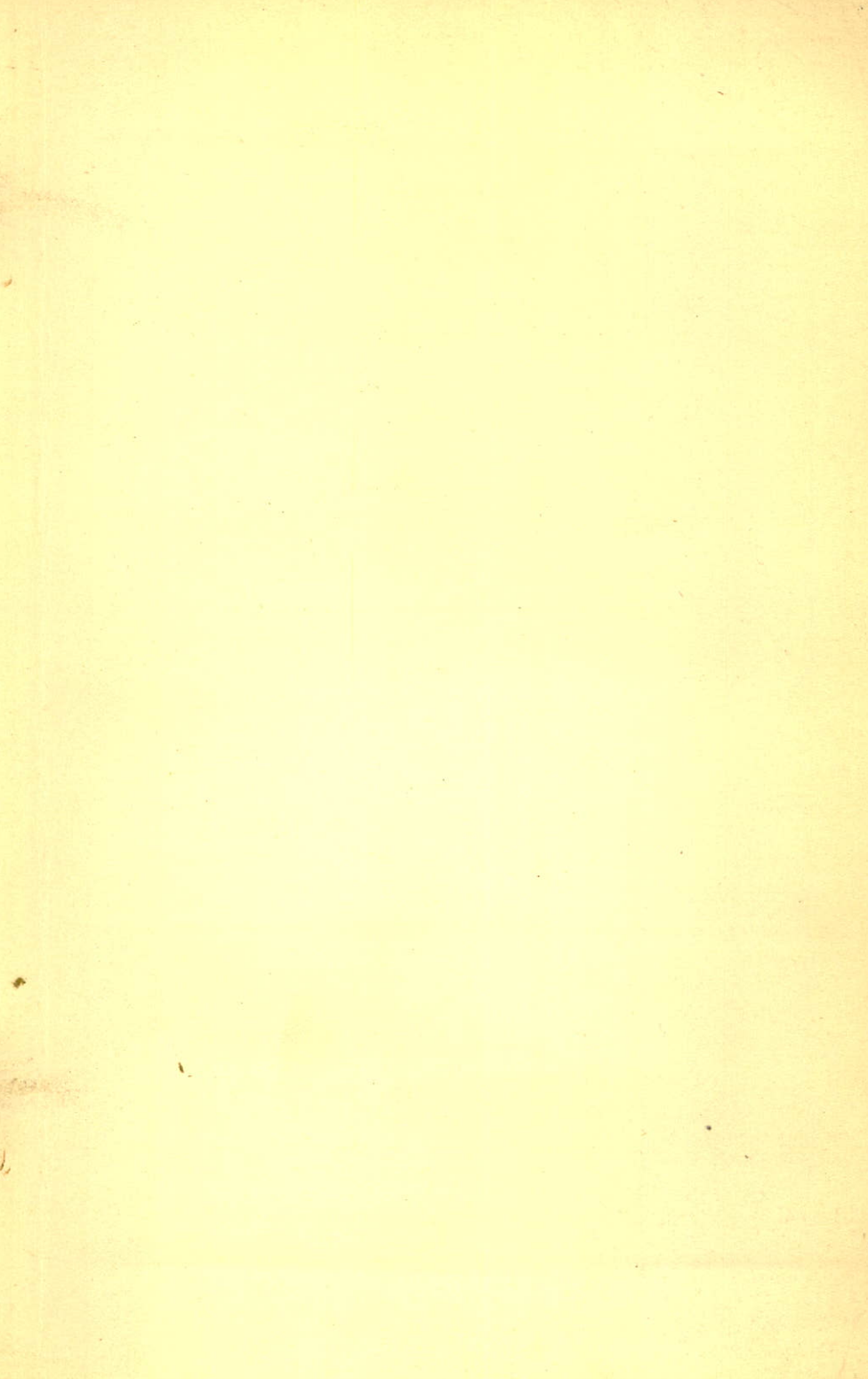


**THE CANADIAN BANK
OF COMMERCE**

ANNUAL REPORT

**TO WHICH IS APPENDED
A REVIEW OF BUSINESS CONDITIONS
DURING THE YEAR 1914**

30th NOVEMBER, 1914



THE NATIONAL BUREAU
OF LABOR

ANNUAL REPORT

FOR THE YEAR 1904

THE CANADIAN BANK
OF COMMERCE

ANNUAL REPORT

30TH NOVEMBER, 1914



THE CANADIAN BANK OF COMMERCE

CAPITAL PAID-UP - - - - -	\$15,000,000
REST - - - - -	13,500,000

DIRECTORS:

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F. P. JONES, Esq.	

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HENRY J. GARDINER, Esq.

HALIFAX BOARD:

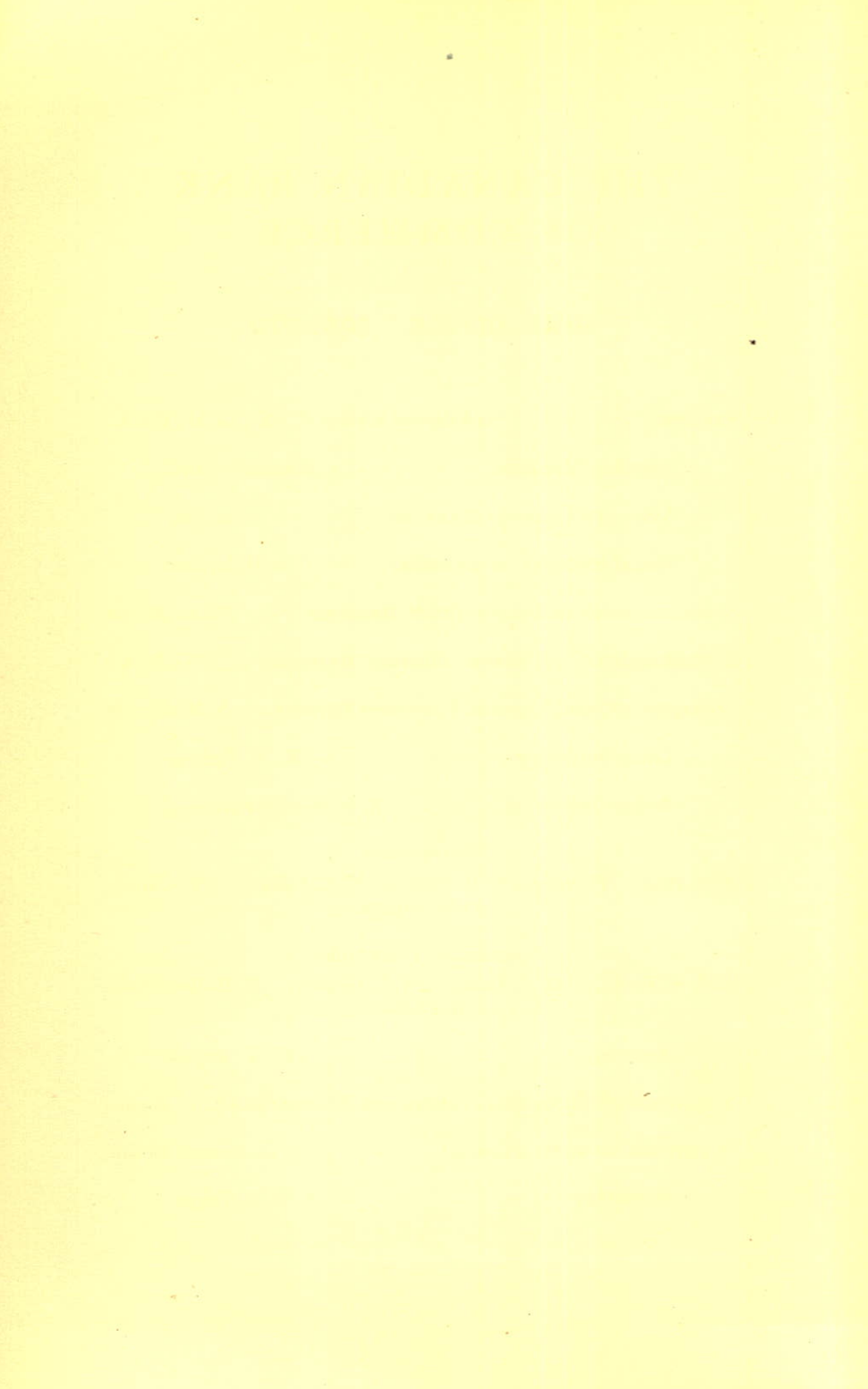
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JOHN MACNAB, Esq.	

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B. C. HOWARD, Esq.	



THE CANADIAN BANK OF COMMERCE

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GENERAL MANAGER - - - - - Alexander Laird

ASSISTANT GENERAL MANAGER - - - - John Aird

SUPERINTENDENT OF BRANCHES - - - A. H. Ireland

SUPERINTENDENT OF PACIFIC COAST BRANCHES - - H. H. Morris

SUPERINTENDENT OF CENTRAL WESTERN BRANCHES - V. C. Brown

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CHIEF INSPECTOR - - - - - R. A. Rumsey

ACTING INSPECTOR - - - - E. L. Stewart Patterson

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F. M. Gibson

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B. P. Alley

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SUPERVISOR OF BANK PREMISES - - - - - Duncan Donald

SECRETARY - - - - - A. St. L. Trigge

BRANCHES

BRITISH COLUMBIA AND YUKON—

CHILLIWACK	K. V. MUNRO	Manager
COURTENAY	F. E. BROCK	Act. Mgr.
CRANBROOK	J. M. CHRISTIE	Manager
CRESTON	C. G. BENNETT	"
CUMBERLAND	W. T. WHITE	"
DAWSON, YUKON	M. NICHOLSON	Act. Mgr.
DUNCAN	E. W. CARR HILTON	Manager
FERNIE	P. B. FOWLER	"
GOLDEN	N. M. FOULKES	"
GRAND FORKS	C. H. NILES	"
GREENWOOD	A. H. MARCON	"
KAMLOOPS	G. S. HOLT	"
KELOWNA	H. G. PANGMAN	"
KEREMEOS	R. H. CARMICHAEL	"
LADYSMITH	G. A. BONNALLIE	"
MISSION CITY	W. H. MATHEWSON	"
NAKUSP	F. W. HEATHCOTE	"
NANAIMO	E. H. BIRD	"
NELSON	L. A. S. DACK	"
NEW WESTMINSTER	H. R. DAVIDSON	"
NORTH VANCOUVER	J. A. FORSTER	"
PARKSVILLE	H. T. NEWMARCH	"
PENTICTON	THOMAS ANDREWS	"
PHOENIX	J. G. MULLEN	"
PRINCE RUPERT	L. M. DE GEX	"
PRINCETON	J. D. ANDRAS	"
REVELSTOKE	W. J. COULTHARD	"
ROCK CREEK	W. S. LONGHURST	Act. Mgr.
SALMON ARM	A. J. MARLOW	Manager
SOUTH HILL	P. S. WOOD	"
SUMMERLAND	F. F. HANINGTON	"
VANCOUVER	M. D. HAMILTON	Asst. Mgr.
Do. ALMA ROAD	D. T. SCRIMGEOUR	Pro Mgr.
Do. COMMERCIAL DRIVE	W. H. JAMES	Manager
Do. EAST	C. W. DURRANT	"
Do. FAIRVIEW	M. NICHOLSON	"
Do. HASTINGS AND CAMBIE	W. H. HARGRAVE	"
Do. KITSILANO	P. GOMERY	"
Do. MOUNT PLEASANT	HUBERT HAINES	"
Do. POWELL ST.	H. B. GORDON	"
VERNON, B.C.	J. I. E. CORBET	"
VICTORIA, B.C.	F. L. CRAWFORD	"
Do. NORTH	H. R. BEAVEN	"
Do. OAK BAY AVE.	A. B. MORKILL	Act. Mgr.
Do. PANDORA AND COOK	M. LAMONT	"
WHITE HORSE, YUKON	D. ROSS	Manager

WESTERN PROVINCES—

ADMIRAL, SASK.	J. F. FRASER	Act. Mgr.
ATHABASCA, ALTA.	R. C. HAYWARD	Manager
BASSANO, ALTA.	H. C. STRANGE	"
BAWLFI, ALTA.	M. R. COMPLIN	"
BENGOUGH, SASK.	J. E. GASETT	"

BRANCHES—Continued

BIGGAR, SASK.	F. A. CHAPMAN	Manager
BLAINE LAKE, SASK.	H. S. J. OATS	"
BRANDON, MAN.	A. MAYBEE	"
BRIERCREST, SASK.	J. B. ROBINSON	"
BRODERICK, SASK.	A. GORDON	Act. Mgr.
CALGARY, ALTA.	C. G. K. NOURSE	Manager
Do. EAST	R. W. H. KING	Asst. Mgr.
Do. FIRST ST. WEST	W. H. MARTIN	Manager
Do. MOUNT ROYAL	W. D. LAWSON	"
CANORA, SASK.	C. B. F. JONES	"
CARMAN, MAN.	A. L. JENSEN	"
CARMANGAY, ALTA.	M. ST. C. MCLEAN	"
CENTRAL BUTTE, SASK.	W. G. HAMILTON	"
CHAMPION, ALTA.	J. F. BERRY	Pro Mgr.
CLARESHOLM, ALTA.	E. G. OGILVIE	Manager
COLEMAN, ALTA.	A. J. BURNSIDE	"
CROSSFIELD, ALTA.	WM. BULLOCK	"
CUDWORTH, SASK.	S. H. BRAY	"
DAUPHIN, MAN.	G. L. NASH	"
DELISLE, SASK.	E. R. JARVIS	"
DRINKWATER, SASK.	C. S. FREEMAN	"
EDAM, SASK.	K. W. REIKIE	"
EDMONTON, ALTA.	A. R. GRAHAM	"
Do. STRATHCONA	T. M. TURNBULL	"
ELBOW, SASK.	D. CLARKSON	"
ELFROS, SASK.	M. MACPHERSON	"
ELGIN, MAN.	H. HAMMER	"
ELKHORN, MAN.	W. C. HOPKINS	"
GILBERT PLAINS, MAN.	R. H. BROTHERHOOD	"
GILROY, SASK.	C. B. NARRAWAY	"
GLEICHEN, ALTA.	D. S. DUNN	Pro Mgr.
GRANDVIEW, MAN.	JAMES CAMERON	Manager
GRANUM, ALTA.	A. W. CHAMBERS	"
GROUARD, ALTA.	R. N. AYLWARD	Act. Mgr.
HAFFORD, SASK.	G. G. SUTHERLAND	Pro Mgr.
HANNA, ALTA.	J. C. RIDDELL	"
HARDISTY, ALTA.	S. H. CURRAN	Manager
HAWARDEN, SASK.	A. F. GARLAND	Act. Mgr.
HERBERT, SASK.	C. L. WHITBY	Manager
HIGHLAND, ALTA.	R. N. SHAW	"
HIGH RIVER, ALTA.	J. STILL	"
HUMBOLDT, SASK.	A. G. VERCHÈRE	"
INNISFAIL, ALTA.	D. I. FORBES	"
INNISFREE, ALTA.	F. J. MACCOUN	"
KAMSACK, SASK.	F. E. HAWLEY	"
KERROBERT, SASK.	A. HAMILTON	"
KINCAID, SASK.	W. D. ELLIOT	"
KINDERSLEY, SASK.	E. O. CLEMENT	Pro Mgr.
KITSCOTY, ALTA.	W. V. GORDON	Manager
LAIRD, SASK.	R. C. AMES	Act. Mgr.
LAKE SASKATOON, ALTA.	R. H. WILSON	"
LANGHAM, SASK.	C. CADY	Manager
LANIGAN, SASK.	H. S. BRUCE	"
	H. H. LOWE	"

BRANCHES—Continued

LASHBURN, SASK.	G. E. CLARKE	Manager
LETHBRIDGE, ALTA.	R. T. BRYMNER	"
LEWVAN, SASK.	T. WINSBY	"
LLOYDMINSTER, SASK.	A. J. MAYNARD	"
LOUGHEED, ALTA.	H. R. MAIN	"
MACLEOD, ALTA.	A. H. ALLEN	"
MARCELIN, SASK.	W. L. RIPPON	Pro Mgr.
MEDICINE HAT, ALTA.	W. G. LYNCH	Manager
MELFORT, SASK.	H. J. NEALE	"
MELVILLE, SASK.	A. W. WHITE	"
MILESTONE, SASK.	W. HASTIE	"
MILK RIVER, ALTA.	A. H. MUNROE	Act. Mgr.
MIRROR, ALTA.	T. S. LITTLE	Manager
MONARCH, ALTA.	W. E. D. FARMER	"
MONITOR, ALTA.	J. B. BELL	Pro Mgr.
MOOSEJAW, SASK.	H. M. STEWART	Manager
MOOSOMIN, SASK.	B. L. BROWN	"
MORSE, SASK.	F. H. ADAMSON	"
NANTON, ALTA.	R. MORRIS SAUNDERS	"
NEEPAWA, MAN.	D. H. GORDON	"
NOKOMIS, SASK.	A. F. MCCONKEY	"
NORTH BATTLEFORD, SASK.	W. HILBORN	"
NUTANA, SASK.	L. E. GRIFFITH	"
OLDS, ALTA.	W. C. DUNCAN	"
OUTLOOK, SASK.	J. A. SMITH	"
PEACE RIVER CROSSING, ALTA.	ALLAN MCKENZIE	Act. Mgr.
PINCHER CREEK, ALTA.	R. B. BUCHANAN	Manager
PONOKA, ALTA.	L. G. CROZIER	"
PORTAGE LA PRAIRIE, MAN.	J. H. MORRISON	"
PRINCE ALBERT, SASK.	E. A. FOX	"
PROVOST, ALTA.	C. LOMER MILES	"
RADISSON, SASK.	C. PADLEY	"
RADVILLE, SASK.	W. M. MCKIE	"
READLYN, SASK.	J. WALKER	"
RED DEER, ALTA.	F. C. WHITEHOUSE	"
REGINA, SASK.	A. W. RIDOUT	"
RETLAW, ALTA.	F. A. STUART	Act. Mgr.
RIVERS, MAN.	F. W. WEST	Manager
ROCKYFORD, ALTA.	J. H. EAKIN	Act. Mgr.
SASKATOON, SASK.	W. P. KIRKPATRICK	Manager
SHAUNAVON, SASK.	D. THOMSON	"
SHELLBROOK, SASK.	G. W. SUTHERLAND	"
STAVELY, ALTA.	J. A. CLARK	"
STONY PLAIN, ALTA.	R. ROBERTS	"
STRATHMORE, ALTA.	C. G. LEWIS	"
SWAN RIVER, MAN.	G. H. WINSTANLEY	"
SWIFT CURRENT, SASK.	W. J. SAVAGE	"
TABER, ALTA.	Geo. E. EWING	"
THE PAS, MAN.	T. S. LEITCH	"
TRANSCONA, MAN.	E. W. BASSETT	"
TREHERNE, MAN.	H. L. WETHEY	"
TUGASKE, SASK.	C. W. COCHLAN	Act. Mgr.
VEGREVILLE, ALTA.	R. W. WINFIELD	Manager
VERMILION, ALTA.	A. J. REYNOLDS	"

BRANCHES—Continued

VIRDEN, MAN.	F. C. BIGGAR	Manager
VONDA, SASK.	L. CUTHBERT	"
VULCAN, ALTA.	A. W. PENTLAND	"
WADENA, SASK.	H. O. GUDGIN	"
WARNER, ALTA.	M. L. GORDON	"
WATROUS, SASK.	J. H. DENT	"
WATSON, SASK.	R. P. FINDLAY	"
WETASKIWIN, ALTA.	H. I. MILLAR	"
WEYBURN, SASK.	A. F. TURNER	"
WILCOX, SASK.	F. L. RHODES	Act. Mgr.
WILLOW BUNCH, SASK.	WM. KIDD	Manager
WINNIPEG, MAN.	{ C. W. ROWLEY	"
	{ C. GORDON	Asst. Mgr.
Do. ALEXANDER AVE.	R. E. N. JONES	Manager
Do. BLAKE STREET	J. C. CURRIE	Pro Mgr.
Do. ELMWOOD	D. H. TOLMIE	Manager
Do. FORT ROUGE	HEDLEY HILL	"
Do. KELVIN STREET	D. H. TOLMIE	"
Do. NORTH	C. F. A. GREGORY	"
Do. PORTAGE AVE.	G. M. PATTERSON	"
WISSETON, SASK.	J. V. STEEL	"
YELLOWGRASS, SASK.	H. G. HURLBURT	"
YORKTON, SASK.	C. A. MERCER	"
YOUNGSTOWN, ALTA.	W. BARRY	Act. Mgr.

ONTARIO—

AYR	E. M. LOCKIE	Manager
BARRIE	L. F. CROSS	"
BELLEVILLE	C. M. STORK	"
BERLIN	G. M. WEDD	"
BLENHEIM	O. F. ANDERSON	"
BRANTFORD	H. W. FITTON	"
BROCKVILLE	W. H. COLLINS	"
CAYUGA	C. D. NEVILL	"
CHATHAM	J. SIMON	"
COBALT	H. G. MATHEWSON	"
COLLINGWOOD	H. C. DUNCAN	"
CORNWALL	A. E. CURRIE	"
CREDITON	A. E. KUHN	"
DRESDEN	R. H. EDMONDS	"
DUNDAS	S. N. MOFFAT	"
DUNNVILLE	G. E. PARKES	"
EXETER	H. J. WHITE	"
FOREST	W. J. F. ROSS	"
FORT FRANCES	J. T. BEATTIE	"
FORT WILLIAM	A. A. WILSON	"
GALT	C. E. A. DOWLER	"
GODERICH	G. WILLIAMS	"
GRIMSBY	G. L. WAUGH	"
GUELPH	J. M. DUFF	"
HAMILTON	D. B. DEWAR	"
INGERSOLL	W. C. JOHNSTON	"
KINGSTON	P. C. STEVENSON	"

BRANCHES—Continued

LINDSAY	H. A. HOLMES . . .	Manager
LONDON	A. D. McLEAN . . .	"
MADOC	A. Y. SNIDER . . .	"
NIAGARA FALLS	C. BALLARD . . .	"
ORANGEVILLE	R. H. NEILSON . . .	"
OSHAWA	H. H. HYLAND . . .	"
OTTAWA	C. CAMBIE . . .	"
Do. BANK STREET	V. M. DUNLEVIE . . .	"
PARIS	D. H. DOWNIE . . .	"
PARKHILL	T. L. ROGERS . . .	"
PARRY SOUND	J. WALTON . . .	"
PETERBORO	W. H. DUNSFORD . . .	"
PORT ARTHUR	A. W. ROBERTS . . .	"
PORT COLBORNE	W. H. PAGET . . .	"
PORT McNICOLL	J. P. TAILLON . . .	Pro Mgr.
PORT PERRY	J. McE. MURRAY . . .	Manager
PORT STANLEY	H. E. TYLOR . . .	"
RAINY RIVER	H. W. GRAHAM . . .	"
ST. CATHARINES	R. G. W. CONOLLY . . .	"
Do. PAGE AND QUEENSTON		"
ST. THOMAS	H. E. TYLOR . . .	"
SARNIA	J. L. BUCHAN . . .	"
SAULT STE. MARIE	H. C. MORRIS . . .	"
Do. WEST END		"
SEAFORTH	W. C. T. MORSON . . .	"
SIMCOE	W. C. J. KING . . .	"
SMITH'S FALLS	R. M. WATSON . . .	"
SOUTH PORCUPINE	W. G. WHITESIDE . . .	"
STRATFORD	R. T. MUSSEN . . .	"
STRATHROY	L. H. DAMPIER . . .	"
SUDBURY	GAVIN SHEARER . . .	"
THEDFORD	J. FULLER . . .	"
TILLSONBURG	J. R. HARRISON . . .	"
TORONTO	D. A. CAMERON . . .	"
Do. BLOOR AND DUFFERIN	E. P. GOWER . . .	Asst. Mgr.
Do. BLOOR AND LIPPINCOTT	A. S. HOUSTON . . .	Manager
Do. BLOOR AND YONGE	S. H. FALKNER . . .	"
Do. COLLEGE & DOVERCOURT	JAMES BRYDON . . .	"
Do. DANFORTH & BROADVIEW	E. C. PRINGLE . . .	"
Do. EARLSCOURT	W. C. JAMES . . .	"
Do. GERRARD AND PAPE	C. E. JOHNSON . . .	"
Do. MARKET	N. ST. B. YOUNG . . .	"
Do. PARKDALE	T. A. CHISHOLM . . .	"
Do. PARLIAMENT STREET	W. A. COOKE . . .	"
Do. QUEEN AND BATHURST	A. H. CREASE . . .	"
Do. QUEEN EAST	H. POLSON . . .	"
Do. SPADINA AND COLLEGE	D. DAVIES . . .	"
Do. WEST TORONTO	H. F. D. SEWELL . . .	"
Do. YONGE AND COLLEGE	J. B. McCUAIG . . .	"
Do. YONGE AND EGLINTON	G. C. T. PEMBERTON . . .	"
Do. YONGE AND QUEEN	R. E. S. FLETCHER . . .	"
WALKERTON	H. C. RAE . . .	"
WALKERVILLE	H. M. LAY . . .	"
	H. B. PARSONS . . .	"

BRANCHES—Continued

WATERLOO	F. W. DE MILLE	Manager
WIARTON	A. E. JACKSON	"
WINDSOR	A. E. TAYLER	"
WINGHAM	E. B. WALKER	"
WOODSTOCK	G. A. HOLLAND	"

SUB-AGENCY

	Sub-Agency to Forest	Open for business Tues. & Thur.
CAMLACHIE		
QUEBEC—		
ACTON VALE	E. R. TANNER	Manager
ASBESTOS	J. H. DOAK	"
AYER'S CLIFF	F. A. JOHNSTON	"
BEDFORD	A. S. MCCAW	"
BEEBE	H. G. KIRWIN	"
BELOEIL	A. M. BRODEUR	"
BIC	W. CLOUTIER	"
BISHOP'S CROSSING	D. H. PARMELEE	"
CHAMBLY	J. C. R. MARCHAND	"
CHICOUTIMI	L. P. BOURGOING	"
CLARENCEVILLE	F. L. NUNNS	"
COATICOOK	L. M. THOMAS	"
COOKSHIRE	W. E. LEARNED	"
COWANSVILLE	F. E. KERRIDGE	"
DANVILLE	J. H. DOAK	"
DUNHAM	F. E. KERRIDGE	"
EAST ANGUS	D. H. PARMELEE	"
EASTMAN	C. W. HAWLEY	"
FARNHAM	G. C. BORIGHT	"
FRELIGHSBURG	M. R. WHITCOMB	Act. Mgr.
GRANBY	A. C. SMITH	Manager
HEMMINGFORD	P. H. M. SOMERVILLE	"
HOWICK	N. H. SLACK	"
HUNTINGDON	C. W. THOMAS	"
IBERVILLE	H. A. L'ABBÉ	"
JOLIETTE	H. E. TEMPLE	"
KNOWLTON	F. A. MORGAN	"
LACOLLE	E. A. CHADSEY	Act. Mgr.
LENNOXVILLE	L. G. T. LYNCH	Manager
MAGOG	H. A. C. SCARTH	"
MANSONVILLE	K. R. TURNER	"
MARBLETON	J. I. McCABE	"
MARIEVILLE	J. C. R. MARCHAND	"
MEGANTIC	G. M. THOMPSON	"
MONTREAL	H. B. WALKER	"
	W. LEGGAT	Asst. Mgr.
Do. CRESCENT AND ST. CATHER- INE	M. A. MACFARLANE	Manager
Do. MAISONNEUVE	E. H. CARTER	"
Do. PRINCE ARTHUR AND PARK	J. B. BEACH	"
Do. ST. CATHERINE & CITY HALL	W. E. MOREHOUSE	"
Do. ST. CATHERINE AND MET- CALFE	D. McLENNAN	"
Do. ST. DENIS AND DULUTH	J. R. BOIVIN	"

BRANCHES—Continued

NICOLET	A. GUAY	Manager
NORTH HATLEY	FRANK DUTHIE	"
ORMSTOWN	N. H. SLACK	"
POINTE AUX TREMBLES	S. A. FORBES	"
QUEBEC	A. L. HAMILTON	"
Do. UPPER TOWN	G. L. DOAK	"
RICHMOND	A. S. RAIMBACH	"
RIMOUSKI	W. CLOUTIER	"
ROCK ISLAND	J. M. O'HALLORAN	"
ROXTON FALLS	J.M. RENÉ DE COTRÊT	Pro Mgr.
ST. CHRYSOSTOME	N. H. SLACK	Manager
ST. FELIX DE VALOIS	J. A. PARENT	"
ST. FERDINAND D'HALIFAX	A. E. WARD	"
ST. GABRIEL DE BRANDON	P. L. MCCABE	"
ST. GEORGE, BEAUCE	C. A. TUCKER	"
ST. HYACINTHE	J. LAFRAMBOISE	"
ST. JOHNS	J. MACLOUGHLIN	"
ST. JOSEPH DE BEAUCE	A. L. DESSERT	"
ST. REMI	J. A. ROY	"
SCOTSTOWN	C. E. SOLES	"
SHERBROOKE	{ E. W. FARWELL	"
Do. WELLINGTON ST	{ A. P. TAYLOR	Asst. Mgr.
Do. UPPER TOWN	F. A. BRIGGS	Manager
STANBRIDGE EAST	N. F. DINNING	"
SUTTON	T. W. JUDD	"
THETFORD MINES	R. P. BUZZELL	"
THREE RIVERS	L. P. BISHOP	"
VALCOURT	E. W. MORGAN	"
WATERLOO	E. DUMOULIN	"
WATERVILLE	J. E. THOMPSON	"
WEEDON	J. T. THOMAS	"
WEST SHEFFORD	J. I. McCABE	"
WINDSOR	H. E. GREEN	"
	K. G. NOURSE	"

SUB-AGENCIES

	Sub-Agency to	Open for Business
BROME	Knowlton	Tues. and Fri.
COMPTON	Coaticook	Mon. and Thur.
DIXVILLE	Coaticook	Friday
EAST HATLEY	Ayer's Cliff	Tues., 10 to 12
PHILIPSBURG	Bedford	Mon. and Thur., 2 to 4
ST. ARMAND STATION	Bedford	Mon. and Thur., 10 to 12
STANSTEAD	Rock Island	Daily
THETFORD MINES WEST	Thetford Mines	Daily

MARITIME PROVINCES—

ALBERTON, P.E.I.	W. C. LAWSON	Manager
AMHERST, N.S.	R. C. MACPHERSON	"
ANTIGONISH, N.S.	W. H. HARRISON	"
BARRINGTON, N.S.	F. W. HOMER	"
BRIDGEWATER, N.S.	T. W. MAGEE	"
CAMPBELLTON, N.B.	J. L. CLAXTON	"

BRANCHES—Continued

CHARLOTTETOWN, P.E.I.	J. H. McQUAID	Manager
FREDERICTON, N.B.	G. W. HARRISON	"
HALIFAX, N.S.	D. MACGILLIVRAY	"
MIDDLETON, N.S.	C. N. ROOP	"
MONCTON, N.B.	W. H. LUGSDIN	"
MONTAGUE, P.E.I.	L. H. COFFIN	"
NEW GLASGOW, N.S.	B. DE VEBER	"
PARRSBORO, N.S.	R. M. McCAUL	"
ST. JOHN, N.B.	C. W. HALLAMORE	"
SHELBURNE, N.S.	C. F. WORRELL	"
SOURIS, P.E.I.	J. D. BURPEE	"
SPRINGHILL, N.S.	J. H. ROBERTSON	"
SUMMERSIDE, P.E.I.	C. HENSLEY	"
SYDNEY, N.S.	E. B. IRELAND	"
TRURO, N.S.	C. W. MONTGOMERY	"
WINDSOR, N.S.	J. A. RUSSELL	"

NEWFOUNDLAND—

ST. JOHN'S	S. H. LOGAN	Manager
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UNITED STATES—

NEW YORK, N.Y.	{ WM. GRAY }	Agents
	{ H. P. SCHELL . . . }	
PORTLAND, ORE.	F. C. MALPAS	Manager
SAN FRANCISCO, CAL.	G. W. B. HEATHCOTE	"
SEATTLE, WASH.	G. V. HOLT	"

GREAT BRITAIN—

LONDON, 2 Lombard Street, E.C.

H. V. F. JONES	Manager
A. R. PHIPPS	Asst. Mgr.

MEXICO—

MEXICO CITY, Avenida San Francisco No. 50

J. P. BELL	Manager
D. MUIRHEAD	Asst. Mgr.

THE CANADIAN BANK OF COMMERCE

[For the convenience of Shareholders on the London Register, the Profit and Loss Account and the Balance Sheet are here given in Sterling, at the par of Exchange.]

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDING 30TH NOVEMBER, 1914

Balance at credit of Profit and Loss Account, brought forward from last year.....	£79,013 0 3
Net profits for the year ending 30th November, after providing for all bad and doubtful debts...	548,267 2 3
	£627,280 2 6

This has been appropriated as follows :

Dividends Nos. 108, 109, 110, and 111, at ten per cent. per annum.....	£308,219 3 7
Bonus of one per cent. payable 1st June.....	30,821 18 4
Bonus of one per cent. payable 1st December..	30,821 18 4
Transferred to Pension Fund (annual contribution)	16,438 7 2
Subscription to Canadian Patriotic Fund.....	10,273 19 5
Subscription to the Canadian Red Cross Society	1,027 8 0
Balance carried forward.....	229,677 7 8
	£627,280 2 6

GENERAL STATEMENT

30TH NOVEMBER, 1914

LIABILITIES

Notes of the Bank in circulation.....	£ 3,070,388	11	3
Deposits not bearing interest. £8,566,543	12	5	
Deposits bearing interest, including interest accrued to date.....	28,729,787	2	11
	37,296,330	15	4
Balances due to other Banks in Canada.....	191,876	16	8
Balances due to Banks and Banking Correspondents elsewhere than in Canada.....	2,293,883	19	9
Bills Payable.....	806,332	9	1
Acceptances under Letters of Credit.....	564,249	17	7
	£44,223,062	9	8
Dividends unpaid.....	561	4	5
Dividend No.111 and Bonus, payable 1st December	107,876	14	3
Capital paid up..... £3,082,191	15	8	
Rest Account.....	2,773,972	12	1
Balance of Profits as per Profit and Loss Account.....	229,677	7	8
	6,085,841	15	5
	£50,417,342	3	9

ASSETS

Current Coin.....	£ 3,477,376	1	5
Dominion Notes.....	2,756,298	6	5
	£ 6,233,674	7	10
Notes of other Banks.....	£ 414,924	17	3
Cheques on other Banks.....	1,068,077	4	7
Balances due by other Banks in Canada.....	3,595	17	10
Balances due by Banks and Banking Correspondents elsewhere than in Canada..	1,188,161	8	10
	2,674,759	8	6
Dominion and Provincial Government Securities not exceeding market value.....	677,139	8	6
British, Foreign and Colonial Public Securities and Canadian Municipal Securities.....	368,028	9	4
Railway and other Bonds, Debentures and Stocks not exceeding market value.....	3,309,197	19	10
Call and Short Loans (not exceeding 30 days) in Canada on Bonds, Debentures and Stocks.....	1,834,286	5	8
Call and Short Loans (not exceeding 30 days) elsewhere than in Canada.....	3,852,847	18	8
Deposit with the Minister of Finance for the purposes of the Circulation Fund.....	156,296	3	5
Carried forward.....	£19,106,230	1	9

GENERAL STATEMENT

30TH NOVEMBER, 1914

ASSETS—Continued

Brought forward.....				£19,106,230	1	9
Other Current Loans and Discounts in Canada (less rebate of interest).....				27,157,907	6	3
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest).....				2,141,012	10	9
Liabilities of Customers under Letters of Credit, as per contra.....				564,249	17	7
Overdue Debts (estimated loss provided for).....				150,786	6	11
Real Estate other than Bank Premises (including the unsold balance of former premises of the Eastern Townships Bank).. <td>£257,331</td> <td>2</td> <td>6</td> <td></td> <td></td> <td></td>	£257,331	2	6			
Less mortgage assumed....	20,547	18	11	236,783	3	7
Mortgages on Real Estate sold by the Bank.....				78,493	15	1
Bank Premises at cost, less amounts written off.....	£ 1,024,724	6	5			
Less mortgage assumed on property recently pur- chased.....	61,643	16	9	963,080	9	8
Other Assets not included in the foregoing.....				18,798	12	2
				£50,417,342	3	9

B. E. WALKER,
President

ALEXANDER LAIRD,
General Manager

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE CANADIAN BANK OF COMMERCE

In accordance with the provisions of sub-sections 19 and 20 of Section 56 of the Bank Act, 1913, we report as follows:

We have audited the above Balance Sheet with the books and vouchers at Head Office and with the certified returns from the branches and have obtained all the information and explanations that we have required, and we are of the opinion that the transactions of the Bank which have come under our notice have been within the powers of the Bank.

We have checked the cash and verified the securities representing the investments of the Bank at its chief office and principal branches at a date other than and in addition to the verification at 30th November and found that they were in agreement with the entries in the books of the Bank relating thereto.

In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Bank according to the best of our information and the explanations given to us, and as shown by the books of the Bank.

T. HARRY WEBB, C.A.
of Webb, Read, Hegan, Callingham & Co.

JAMES MARWICK, C.A.
of Marwick, Mitchell, Peat & Co.

AUDITORS

GENERAL STATEMENT

30TH NOVEMBER, 1914

LIABILITIES

Notes of the Bank in circulation		\$14,942,557 68
Deposits not bearing interest.	\$41,690,512 29	
Deposits bearing interest, including interest accrued to date	139,818,297 45	181,508,809 74
Balances due to other Banks in Canada		933,800 59
Balances due to Banks and Banking Correspondents elsewhere than in Canada		11,163,568 73
Bills Payable		3,924,151 28
Acceptances under Letters of Credit		2,746,016 07
		<u>\$215,218,904 09</u>
Dividends unpaid		2,731 28
Dividend No. 111 and Bonus, payable 1st December		525,000 00
Capital paid up	\$15,000,000 00	
Reserve Account	13,500,000 00	
Balance of Profits as per Profit and Loss Account	1,117,763 27	29,617,763 27
		<u>\$245,364,398 64</u>

ASSETS

Current Coin	\$16,923,230 20	
Dominion Notes	13,413,985 15	\$30,337,215 35
Notes of other Banks	\$2,019,301 00	
Cheques on other Banks	5,197,975 85	
Balances due by other Banks in Canada	17,500 00	
Balances due by Banks and Banking Correspondents elsewhere than in Canada ..	5,782,385 67	13,017,162 52
Dominion and Provincial Government Securities not exceeding market value		3,295,411 87
British, Foreign and Colonial Public Securities and Canadian Municipal Securities		1,791,071 90
Railway and other Bonds, Debentures and Stocks not exceeding market value		16,104,763 57
Call and Short Loans (not exceeding 30 days) in Canada on Bonds, Debentures and Stocks		8,926,859 91
Call and Short Loans (not exceeding 30 days) elsewhere than in Canada		18,750,526 61
Deposit with the Minister of Finance for the purposes of the Circulation Fund		760,641 36
Carried forward		<u>\$92,983,653 09</u>

GENERAL STATEMENT

30TH NOVEMBER, 1914

ASSETS—Continued

Brought forward.....		\$92,983,653 09
Other Current Loans and Discounts in Canada (less rebate of interest).....		132,168,482 26
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest).....		10,419,594 36
Liabilities of Customers under Letters of Credit, as per contra.....		2,746,016 07
Overdue Debts (estimated loss provided for).....		733,826 88
Real Estate other than Bank Premises (including the unsold balance of former premises of the Eastern Townships Bank).. <td>\$1,252,344 80</td> <td></td>	\$1,252,344 80	
Less mortgage assumed....	100,000 00	1,152,344 80
Mortgages on Real Estate sold by the Bank.....		382,002 93
Bank Premises at cost, less amounts written off.....	\$4,986,991 69	
Less mortgage assumed on property recently pur- chased.....	300,000 00	4,686,991 69
Other Assets not included in the foregoing.....		91,486 56
		<u>\$245,364,398 64</u>

B. E. WALKER,
President

ALEXANDER LAIRD,
General Manager

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We have checked the cash and verified the securities representing the investments of the Bank at its chief office and principal branches at a date other than and in addition to the verification at 30th November and found that they were in agreement with the entries in the books of the Bank relating thereto.

In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Bank according to the best of our information and the explanations given to us, and as shown by the books of the Bank.

T. HARRY WEBB, C.A.
of Webb, Read, Hegan, Callingham & Co.

JAMES MARWICK, C.A.
of Marwick, Mitchell, Peat & Co.

AUDITORS

BANKERS AND CHIEF CORRESPONDENTS

LONDON BANKERS—

Bank of England; Bank of Scotland; Lloyds Bank Limited; Union of London and Smiths Bank, Ltd.; London and South Western Bank, Ltd.

ENGLAND—

Barclay & Co., Ltd.; Lloyds Bank Limited; Manchester and Liverpool District Banking Co., Ltd.

SCOTLAND—

Bank of Scotland; North of Scotland and Town and County Bank, Ltd.; Union Bank of Scotland, Ltd.

IRELAND—

Northern Banking Co., Ltd.; Provincial Bank of Ireland, Ltd.; Belfast Banking Co., Ltd.

UNITED STATES—

NEW YORK—American Exchange National Bank; Chase National Bank.

ALBANY—New York State National Bank.

BALTIMORE—Citizens National Bank.

BOSTON—National Shawmut Bank; Second National Bank; First National Bank.

BUFFALO—Citizens Bank of Buffalo; Manufacturers and Traders National Bank.

CHICAGO—First National Bank; National City Bank; Northern Trust Company.

CLEVELAND—First National Bank.

DENVER—Denver National Bank; Colorado National Bank.

DETROIT—First and Old Detroit National Bank.

LOS ANGELES—Farmers and Merchants National Bank; Citizens National Bank.

MILWAUKEE—Wisconsin National Bank.

MINNEAPOLIS—Northwestern National Bank; First National Bank.

NEW ORLEANS—Commercial National Bank.

PHILADELPHIA—Girard National Bank; Franklin National Bank.

PITTSBURG—Mellon National Bank.

ST. LOUIS—Mechanics-American National Bank.

ST. PAUL—Merchants National Bank.

SALT LAKE CITY—Deseret National Bank.

SPOKANE—Spokane & Eastern Trust Company.

TACOMA—Bank of California National Association; National Bank of Tacoma.

BELGIUM—

Banque d'Anvers, Antwerp; Banque Internationale de Bruxelles, Brussels.

DENMARK—

Den Danske Landmandsbank, Copenhagen.

FRANCE—

Credit Lyonnais; Société Générale; Lazard Frères & Cie., Paris.

HOLLAND—

Twentsche Bankvereniging, Amsterdam; Disconto Maatschappij, Rotterdam.

ITALY—

Banca Commerciale Italiana, Naples.

NORWAY—

Centralbanken for Norge, Christiania.

SWEDEN—

Skandinaviska Kreditaktiebolaget, Stockholm.

SWITZERLAND—

Banque Fédérale, Zurich; Schweizerische Kreditanstalt, Zurich; Schweizerischer Bankverein, Zurich.

INDIA, CHINA, JAPAN AND THE PHILIPPINE ISLANDS—

Chartered Bank of India, Australia and China; Hongkong and Shanghai Banking Corporation.

SOUTH AFRICA—

Standard Bank of South Africa, Ltd.; National Bank of South Africa, Ltd.

AUSTRALIA AND NEW ZEALAND—

Union Bank of Australia, Ltd.; Bank of Australasia; National Bank of Australasia, Ltd.; English, Scottish and Australian Bank, Ltd.; Bank of New Zealand; National Bank of New Zealand.

HAWAIIAN ISLANDS—

First National Bank of Hawaii, Honolulu; Bishop & Co., Honolulu.

SOUTH AMERICA—

British Bank of South America, Ltd.; London & Brazilian Bank, Ltd.; Anglo-South American Bank, Ltd.

WEST INDIES—

Colonial Bank and Branches; Banco Nacional de Cuba, Havana, Cuba.

BERMUDA—

Bank of Bermuda, Ltd., Hamilton.

THE CANADIAN BANK OF COMMERCE

REPORT OF THE PROCEEDINGS OF THE ANNUAL MEETING OF SHAREHOLDERS

TUESDAY, 12TH JANUARY, 1915

The forty-eighth Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held in the banking house at Toronto, on Tuesday, 12th January, 1915, at 12 o'clock.

Among those present were:—

A. J. Helliwell, Dr. John Hoskin, A. J. Glazebrook, W. Prendergast, J. Appleton, A. E. Ferrie, A. E. Ames, Z. A. Lash, K.C., C. A. C. Jennings, Principal Auden, J. O. Thorn, Dr. N. H. Beemer, Rev. John Somerville, J. Western, C. N. Candee, U. de B. Daly, H. S. Harwood, Sir Lyman Melvin Jones, H. C. Cox, Rev. S. B. Saer, W. H. Lockhart Gordon, G. H. Muntz, G. R. Warwick, Sir Wm. Mackenzie, J. S. McLean, F. H. Gooch, R. Brown, A. J. Mitchell, G. A. Morrow, H. W. Mickle, J. E. Murphy, Graham Campbell, R. P. Ormsby, A. E. Osler, J. C. Scott, Frederic Nicholls, John A. Morton, J. George Murray, C. F. Gordon, G. D. Perry, Edwin Roach, J. B. Duncan, Jas. E. Baillie, W. S. Hodgins, Thos. Gilmour, J. R. Shaw,

J. E. McAllister, F. W. Field, Wm. Davidson, C. D. Owen, G. Frank Beer, M. Sparkhall, W. B. Meikle, W. K. George, Alex. Bruce, K.C., Major W. N. Keefer, J. C. Breckenridge, Dr. R. A. Falconer, J. E. Atkinson, Thos. West, Jas. Watt, Hon. Justice R. F. Sutherland, F. W. Gates, E. R. Wood, J. M. Sparrow, S. R. Wickett, A. E. Dymont, A. W. Donly, T. E. Robertson, J. W. Flavelle, T. C. Irving, J. L. Watt, F. G. Jemmett, J. K. Macdonald, Albert Nordheimer, L. H. Baldwin, E. M. Saunders, Wm. Crocker, A. Mossman, L. W. Mitchell, Sir Edmund Osler, H. P. Livingstone, F. A. Mouré, J. F. Michie, Dr. Strachan, Allan Ramsay, W. T. Boyd, Alan Ross, W. E. Rundle, J. M. Duff, Guelph; Robt. Stuart, Chicago; F. G. D. Smith, Newtonbrook; A. G. Campbell, Quebec; Sir John M. Gibson, Hamilton; G. W. Allan, Winnipeg; Angus McLean, Bathurst, N.B.; W. A. Murray, Montreal; Hon. W. C. Edwards, Ottawa; D. B. Dewar, Hamilton; Wm. Cook, Richmond Hill; D. H. Cooper, Winnipeg; P. C. Stevenson, Kingston; H. W. Fitton, Brantford; Gardner Stevens, Waterloo, Que.; Wm. F. McAdie, Oshawa; Geo. G. Foster, K.C., Montreal; Frank D. Spaulding, Burlington, Vt.; G. M. Wedd, Berlin; G. F. Galt, Winnipeg; Dr. Charles Colby, Montreal; H. B. Walker, Montreal; H. B. Parsons, Walkerville; V. C. Brown, Winnipeg; A. E. Tayler, Windsor, Ont.; E. B. Ireland, Sydney; C. M. Gripton, St. Catharines; A. Kingman, Montreal; A. C. Flumerfelt, Victoria; J. G. Borland, Claremont; C. M. Stork, Belleville; Newman Silverthorne, Summerville; Wm. Gray, New York; T. L. Rogers, Parkhill; Robt. Harmer, Hamilton; John Leggat, Hamilton; Senator Beith, Bowmanville; G. V. Holt, Seattle; F. P. Jones, Montreal.

The President, Sir Edmund Walker, having taken the chair, Mr. A. St. L. Trigge was appointed to act as Secretary, and Messrs. W. S. Hodgins and E. M. Saunders were appointed scrutineers.

The President called upon the Secretary to read the Annual Report of the Directors, as follows:

REPORT

The Directors beg to present to the Shareholders the forty-eighth Annual Report, for the year ending 30th November, 1914, together with the usual statement of Assets and Liabilities:

The balance at credit of Profit and Loss Account, brought forward from last year, was.....	\$ 384,529 98
The net profits for the year ending 30th November, after providing for all bad and doubtful debts, amounted to.....	2,668,233 29
	\$ 3,052,763 27

This has been appropriated as follows:

Dividends Nos. 108, 109, 110 and 111, at ten per cent. per annum.....	\$ 1,500,000 00
Bonus of one per cent. payable 1st June..	150,000 00
Bonus of one per cent. payable 1st December.....	150,000 00
Transferred to Pension Fund (annual contribution).....	80,000 00
Subscription to Canadian Patriotic Fund.	50,000 00
Subscription to The Canadian Red Cross Society.....	5,000 00
Balance carried forward.....	1,117,763 27
	\$ 3,052,763 27

The assets of the Bank have been, as usual, carefully revalued and ample provision has been made for all bad and doubtful debts.

During the year the Bank has opened the following new branches: In British Columbia: Alma Road (Vancouver); in Alberta: Rockyford; in Saskatchewan: Admiral, Central Butte, Gilroy, Hafford, River Street (Prince Albert); in Ontario: Grimsby, Madoc, Page and Queenston (St. Catharines), Bloor and Lippincott and Yonge and Eglinton (Toronto); in Quebec: Chicoutimi and St. Denis and Duluth (Montreal); in New Brunswick: Bath and Bristol, which however, have since been closed. A sub-agency of the Coaticook Branch has been opened at Compton, Que., and the sub-agency at Bic, Que., has been made an independent branch. The branches at New Dayton and Tilley, Alta., River Street (Prince Albert), Sask., Gowganda, Ont., Fraserville, Que., West St. John, N.B., and the sub-agencies at Bromptonville and Foster, Que., have also been closed. Since the end of the year the sub-agency at Comox, B.C., has been closed.

Your Directors record with regret the death of their late colleague, Hon. George A. Cox, during the past year. Mr. Cox had been a Director of this Bank for nearly twenty-eight years, during twenty of which he filled the offices first of Vice-President and then of President. By his death the Bank lost a strong friend and adviser whose business judgment was unusually sound. In accordance with the provisions of the by-laws as amended at the last annual meeting the vacancy created by his death was not filled.

In acknowledgment of our duty to the Empire and of the obligations placed upon us by the terrible conflict now raging in Europe, your Directors voted the sum of \$50,000 to the Canadian Patriotic Fund, \$5,000 to The Canadian Red Cross Society and \$2,500 to the Belgian Relief Fund of the Toronto Board of Trade. The last-named sum will appear in the accounts of next year.

During the year the first audit of the Bank has been made by the auditors appointed at the last annual meeting in conformity with the requirements of Section 56 of the

Bank Act. In addition the branches and agencies of the Bank in Canada, the United States, Great Britain and Newfoundland, and the Departments of the Head Office have as usual been inspected during the year by the staff of our own Inspection Department.

Your Directors have pleasure in again recording their appreciation of the efficiency and zeal with which the officers of the Bank continue to perform their respective duties.

ALEXANDER LAIRD,
General Manager.

B. E. WALKER,
President.

TORONTO, 5th January, 1915.

Before moving the adoption of the report the President called upon the General Manager to address the shareholders :

GENERAL MANAGER'S ADDRESS

When we had the pleasure of addressing you on the occasion of our annual meeting for 1913, we had every reason to look forward with apparently well-founded expectations that the year just ended would prove not less favourable than the preceding one. There was a movement during the first months of the year so world-wide in its scope as to lead many to infer that the drift of financial affairs towards a moderate prosperity had become unmistakable. The uneasiness regarding the settlement of the Balkan question had almost disappeared, and with the gradual adjustment of other political and international difficulties there was an apparent readiness to return to normal conditions. This enabled a large volume of securities to be marketed, which did much to relieve a very acute situation. As the season advanced the prospect of satisfactory crops and of fairly good returns from every legitimate enterprise should have assured a financial and industrial revival. Then came the outbreak of the European war, an event so tremendous in its import that at first we failed to realize the extent of the dislocation of business that it would entail, and the consequent hardship and loss to every conceivable interest the world over; yet we have stood the shock with remarkable fortitude and courage.

Considering all these untoward circumstances the report and statements now presented to you bring us the satisfaction that we have not laboured in vain. In consequence of the extraordinary depreciation in the prices of all securities, we have made a careful revaluation on very strict lines; and having in

the past been conservative and prudent with the disposition of our returns from this source, we were enabled to make all our adjustments without interfering with current profits. Our usual care has been exercised in providing for bad and doubtful debts, and with the return of more propitious times we should derive very important recoveries.

The net profits for the year were \$2,668,233.29, a decrease of \$324,717 from last year, and amounted to 9.36 per cent. on the Capital and Rest combined. We were enabled to pay dividends amounting to \$1,800,000, these being at the usual rate of 10 per cent. per annum, with extra bonus dividends of 2 per cent. The regular appropriation for the Pension Fund required \$80,000 and subscriptions to Patriotic Funds amounted to \$55,000. We are carrying forward in Profit and Loss Account a balance of \$1,117,763.27, as against \$384,529.98 a year ago.

You will notice that no appropriation has been made in Bank Premises Account, which shows an increase over last year of \$405,510. This increase is mainly accounted for by the final payments on some of our larger buildings and by the sums expended in purchasing sites for a number of the smaller offices. As we indicated in the report presented to you in January, 1910, we have in the past endeavoured to keep the figures of this account within 50 per cent. of the value of the properties which it covers. During the past year we obtained from reliable outside experts an appraisal of all the premises belonging to or controlled by the Bank, instead of relying, as formerly, upon the best information available through our various managers; and the result of this indicates that the figures given in our balance sheet are well below the limit of 50 per cent. just referred to. This is a source of much gratification to us, emphasizing, as it does, the conservative

estimates of our managers. In this connection we may add that the Bank owns and controls the stock of The Dominion Realty Co., Limited, by which Company our smaller buildings are erected and owned. This stock is carried on our books at the nominal value of \$1. The last annual statement of this Company, bearing even date with our own, shows a surplus of \$3,240,411.78.

The Bank's notes in circulation stood at \$14,942,557 at the close of our year, this account showing important fluctuations during the period under review, from a minimum in July of \$11,934,000 to a maximum in October of \$16,679,038. Our deposits decreased \$11,304,905, accounted for by a general reduction in current account balances, which is not unnatural under the circumstances; the ordinary deposits bearing interest show a decrease of only \$197,211, a remarkable exhibit when we consider the probable requirements of small depositors under existing conditions and the extraordinary opportunities which have offered for investing in first-class securities at remunerative rates. Bills Payable Account, representing our participation in international exchange transactions, amounted to \$3,924,151, being a reduction of \$5,591,636 from the figures of our last report. We wish to place on record that in accordance with an understanding acted upon by all the Canadian banks in London as to the moratorium in respect of bills of exchange, we adopted the policy agreed upon by the clearing banks, and re-accepted, with a few trifling exceptions, all our bills which matured in August, although during the whole period we were carrying bank balances more than sufficient to meet these commitments. At the expiration of the thirty days we resumed paying all our bills without exception. We did not take advantage of the moratorium in any other respect, and did so in respect of our bills merely to join in a united front to the public.

Call and Short Loans were \$27,677,386 and other Current Loans and Discounts \$142,588,076, as compared with \$25,764,910 and \$154,576,889 in our last report, the total being \$170,265,463, a decrease of \$10,076,337 for the year. Government and other securities were \$21,191,247, a decrease of \$2,766,571. The percentage of quick assets to liabilities to the public was 43.20. In thus strengthening our position we have the satisfaction of knowing that no credit usually granted to any of our customers was curtailed during this very trying year.

In accordance with the resolution passed at the annual meeting in January, 1912, and taking advantage of the provisions for this purpose contained in the revised Bank Act, the Directors passed a by-law on April 17th last providing for the change of the par value of the shares of the Capital Stock of the Bank from \$50 to \$100 each. Steps were at once taken to notify the shareholders of the change, and to communicate with those who held an odd number of shares, offering to arrange the purchase or sale of one share for them on being notified of their wishes. As a result, although approximately 1,400 shareholders held an odd number of shares, only twenty-four of these remained to be adjusted when the time limit set for the change expired on August 15th last. These twenty-four shares were subsequently sold and the proceeds remitted to the former owners in accordance with the provisions of Section 35a of the Bank Act. It is interesting to note, as indicating the loyalty of our shareholders to this Bank, that out of the large number affected by the change practically two-thirds preferred to add to their holdings rather than to part with even the small amount of stock represented by a fractional share. The number of the Bank's shareholders is now 6,147, as against 6,026 a year ago. The following table indicates how widely our shareholders are scattered, not only in Canada but abroad:—

	No. of Shareholders	No. of Shares
Ontario.....	1,385	40,367
Quebec.....	1,193	30,354
Maritime Provinces.....	778	15,454
Western Provinces.....	161	2,959
In Canada.....	3,517	89,134
Great Britain.....	1,816	33,283
United States.....	707	25,690
Other Countries.....	107	1,893
Total.....	6,147	150,000

We have not thought it advisable to open many new branches, but are confining ourselves to districts giving unusual promise of future development, and in several instances we have closed branches that had not proved profitable after a fair trial. We shall pursue this policy whenever possible, and thus endeavour to escape needless expense and loss. The net increase of branches during the year was six, the geographical distribution being as follows:—

Alberta.....	52
British Columbia.....	44
Manitoba.....	23
New Brunswick.....	4
Nova Scotia.....	13
Ontario.....	87
Prince Edward Island.....	5
Quebec.....	82
Saskatchewan.....	60
Yukon.....	2
In Canada.....	372
Newfoundland.....	1
London, England.....	1
United States of America.....	4
Mexico.....	1
Total.....	379

The members of the staff now number 3,536, a slight decrease from the figures of last year, but with the decline of business, sufficient to equip every department efficiently.

We include in this number those on our Honour Roll who have temporarily left our service at the call of duty. We have given leave of absence to these officers on terms which should be very satisfactory to them, and it will be our pleasure and duty as far as possible to reinstate them when they return. Between 325 and 350 of our men have volunteered for military service of various kinds at home and abroad, besides very many others who are preparing for any emergency during the continuance of the war. This contribution of men and money and, what is more important, the loyal spirit manifested throughout our service, are creditable alike to our staff and to the Bank.

In reviewing the past year, we cannot but be impressed with the fact that Canada has had a remarkable escape from untoward disaster in financial matters, and we should realize that worse might have been our fate. With a courage begotten of experience, we shall face the future with full confidence that much good will eventually come out of the present situation.

The President then said :

PRESIDENT'S ADDRESS

The war has so changed all business conditions that it may seem unnecessary to describe those previously existing, and yet without doing so it is difficult to estimate our present position. We had passed a period of trade expansion throughout the world which in our case had been sharply exemplified by our foreign trade returns for the year ending in March, 1913, when the excess of our imports over exports fell just short of 300 million dollars, and in addition to this we had to provide interest and dividends on securities sold abroad of from 100 to 125 millions. To meet this we can trace the sale of securities during the year 1913 to the extent of at least 350 millions. In the sharp contraction throughout the world which followed, the

question confronting us was how well we could bear the loss of power to sell securities and the shrinkage of trade caused by the stoppage of the building operations based upon our sales of securities.

The more important of our public and private improvements were nearing completion, and the fact that we must in any event pause to demonstrate, by increased production, the wisdom of building them, was clear to many, but the enforced contraction, though it naturally went too far in the other direction, was necessary to bring us to a halt. The world had gone through the severer phases of this contraction, and had entered upon the year 1914 with distinct hopes for improvement in many countries, notably in Canada. The great banks of Europe were able to increase their reserves, money was growing easier, the market for securities was improving, and indeed, by February many issues, which had been held back for some time, were successfully placed. In the United States the new tariff legislation and the new Bank Act were events of the highest importance, and if the effects of these were still somewhat uncertain, at least a great deal of painful doubt had been removed. Later on the prospect of a great crop left the question of improved rates for railroad freights the main point to be settled in order to put the United States again on the highroad to prosperity. In Canada, while trade was still lessening in activity, and money still hard to obtain and the prospect for our crops less hopeful than that of the United States, we felt that in order to make our future secure, we had only to lessen our pace and to turn our minds more to immediate production than to permanent improvements. Elsewhere, in France, in the Balkans, and in the Latin American republics, there was still much financial trouble to overcome, but conditions in London continued steadily to improve, and with that improvement the power to sell our securities seemed to be rapidly returning. It was, therefore, to a somewhat

chastened but distinctly hopeful business community in Canada that the rumours of war at the end of July came with portents of evil in every direction.

It is not my part to-day to speak of what war means to us in its effect on our lives, on our hopes for our beloved Empire, or on the happiness of our families—I may speak of it only in its less important effect, that on our material prosperity. As we know, the first effect on finance and trade was the closing of almost all the Stock and Merchandise Exchanges in the world, the cessation of the enormous trade, not only between the countries now engaged in the war, but to a very large degree between neutral countries and those at war which were blockaded by the fleets of the allies, and the breaking down for the moment of all dealings in foreign exchange, letters of credit, and in the vast number of credit arrangements existing between banks in different countries throughout the world. This paralysis affecting for the moment a large part of the international trade of the world estimated at about forty billions of dollars annually and also disturbing countless millions of domestic trade in all leading countries, was nearly universal in its effect merely because London, the great power house of the world, had to pause for a few days in order to consider how the new conditions were to be faced. I need not tell you what was accomplished in the way of remedial measures by the wisdom of the British Government and the leading bankers, merchants and men of affairs generally, but the few words which make the sufficient defence of the Chancellor of the Exchequer are pregnant with a meaning which cannot escape the historian of British affairs for centuries to come. He said "There is no doubt that we have, I will not say, departed from any principles which have been accepted in this country, but that we have undertaken responsibilities which no Government has ever been called upon to undertake in the past."

In the report of our London manager, which appears in our Review of Business Conditions, a most admirable summary is made of the various events in London bearing on the finance and trade of the world. In our own country, while the issues were smaller, they were of the most profound importance to us, and we can never be too thankful for the high intelligence and the quickness of action of our Minister of Finance. Our gold supply is not important in amount as compared with that of the greater nations, but its preservation is vitally important to us. To convince people that the hoarding of gold was unnecessary, and in any event to make it nearly impossible, was part of the task here, as it was in England. One of the most effective means of accomplishing this was, as far as possible, to make sure that the inevitable result of war in curtailing business would not be intensified by a lack of currency with which to carry on our daily affairs. The arrangements proposed by the Minister of Finance, approved by his Government and put into operation, all within twenty-four hours, were as follows:

(1) For the first time in the history of Canada banks were empowered to pay their debts in their own notes. When these notes reached the clearing house, however, they were redeemed in Government legal tenders or in gold. The notes were not, as many people suppose, made a legal tender as between individuals, and the main object of this arrangement was to prevent people from securing actual gold coin in order to hoard it, a process which would have been ruinous to the nation as a whole, although comforting to the individual who secured the gold.

(2) The banks would have been able under the Bank Act to issue the usual emergency circulation for crop-moving in September and this date was set back to August.

(3) The Government raised somewhat the limit for that part of its legal tender issues which is not entirely based on gold.

(4) The Government undertook to make loans to banks on approved security in order to aid them in carrying on the business of the country.

At that moment no machinery existed by which Canadian banks with call loans or actual cash, in either London or New York, could use such resources to pay debts in Canada. It seemed at first as if it would be necessary to declare several Bank Holidays in succession to afford time in which to work out remedial measures, but the latter were provided so promptly by the Government that no general cessation of business took place. The value of such measures is not to be judged by the use made of them. On the contrary, we are proud that they were used so little. Their real value consists in the assurance to the public and to the banks that steps have been taken, so far as lies in the power of the Government, to enable business to go on as usual. Since the passage of these measures the effect of the really wonderful provisions for financial relief set in force by the Imperial Government, the consequent ending of the British moratorium, the recovery of British and the partial recovery of other international exchange markets, the removal of nearly all enemies of the peace on the high seas, and the lowering, therefore, of the charge for the war risk in insurance, the partial resumption of operations by Stock and Merchandise Exchanges, and many other remedial features, all these have helped largely to restore the broken machinery of the world by which before the war all international and much of our domestic business transactions were carried on.

The only moratorium legislation put into effect in Canada thus far is in Manitoba and Saskatchewan. In Manitoba proceedings to enforce mortgage security on land are delayed for six months, while the period allowed for redemption is increased to one year. The Act does not affect trust deeds securing bonds, debentures or stocks.

In Saskatchewan an Act was passed giving wide powers to the Lieutenant-Governor for the protection of debtors, and these powers have been exercised by a proclamation extending protection to volunteers and reservists from all legal processes for six months, and by a further proclamation giving protection to all debtors against legal process under chattel mortgage, conditional sale or hire receipt, except with the approval of the sheriff.

In Ontario the Government have intimated their intention to introduce legislation requiring mortgagees and holders of similar securities to obtain an order from a judge before foreclosing, and giving the judge power in cases of great hardship to extend the time of payment. It is not intended to interfere with the collection of interest, rent or other debts of like character.

In Alberta a new Act has been passed in connection with the proceedings for the foreclosure of mortgages and similar securities, but this is not in the nature of moratorium or other legislation caused by the war.

In this connection it may be well to say that the speaker has recently seen the returns of four large lenders by mortgage, the total principal of whose loans amounts to \$60,000,000. On these loans interest has been paid in the East with only a very trifling percentage of arrears, while in the West about 92 to 94 per cent. of all interest has been paid, either at the moment when due or within three months thereafter. Any one who can remember the conditions in the now rich Province of Ontario twenty-five years ago will think this a very good showing indeed.

In Saskatchewan there are now commissioners whose duty it is to look after the finances of the various municipalities in the province. It is interesting to learn that one company owning about fifteen million dollars in Canadian municipal bonds had at the end of the year only three town and three school section bonds, aggregating

\$4,500 of principal, in default, and this temporary default had taken place since August and has no real significance.

We have in each year remarked upon the condition of our foreign trade, partly because in the disparity between imports and exports the danger line of our expansion is most easily found. We have to sell securities to settle this difference and we have to pay the interest on these securities. Frankly, with the balance against us at March, 1913, of \$298,711,000, already referred to, we had gone far enough. The contraction in building operations and the general economy which had already begun helped to bring this debit balance down so that by March, 1914, it had fallen to \$171,620,000. The improvement, however, was caused by a reduction of only \$41,325,000 in imports while there was an increase in exports of \$85,765,000. In these figures the export and import of coin and bullion are included. Heretofore it has not seemed worth while to adjust the official figures by leaving these items out, but during the half-year ending September, 1914, the shipments of gold to Canada were so large as to render an adjustment imperative. The official excess of imports over exports for the half-year was \$89,213,000, but omitting shipments of coin and bullion it was only \$64,022,000. From this time forward, imports should show a very great decline, while, because of high prices for grain, the carrying out of war contracts for the allied countries, and the general desire to sell all that is available and to buy nothing that is not a necessity, our exports and imports should in the near future more nearly meet than at any time since the early years of this century. This will be a highly creditable accomplishment, showing that without undue pressure we could in two or three years do what our unfriendly critics thought impossible, that is, adjust the very large trade balance against us. Of course, we have still our interest to pay, and this country, in order to meet the most conservative demands for development, must be

a borrower for many years to come, but I think we need have no great fear of the future in this respect if we take sufficient care of our credit. During the year 1914, although the markets were only favourable at times, and, since the war, have been practically closed to us, we sold securities abroad amounting to over 225 millions.

As soon as Great Britain begins to buy any new securities other than war issues, she will buy ours, and meantime we must hope that the market for our bonds in the United States will continue to grow. We cannot too often draw the attention of that country to the fact that when our foreign trade is analysed the net debit for the difference between our sales and our purchases is payable to them and not to Europe. If the war prevents London from buying our securities, either the United States must buy them or our great trade with that country must fall away, and the cry of "Made in Canada" would then have even a wider significance than it has to-day. During the year ending March, 1914, again omitting the figures for coin and bullion, we made purchases from the United States to the value of \$409,818,000 and we sold them goods to the value of \$178,282,000, so that with a net excess of imports from all countries of \$179,945,000, the excess in the case of the United States was actually \$231,536,000. Part of this is, of course, offset by the actual cash brought into Canada by settlers from the United States, part by investments made here by Americans, and part by the purchase of our securities, but it has mainly been settled in the past out of the proceeds of our sales of securities in London and on the Continent.

It is not possible to forecast the effect of the war upon our economic position, and we must be prepared to meet each new condition as it arises, but we can learn something from the events of the war, and gain courage or caution as a result. The cost of the war to Canada is already arranged for in London, so that no money is being withdrawn from Canadian money markets on that account, and to the

extent of 60 per cent., representing that part of the war expenditure which is paid out in Canada, we obtain money in London with which debts abroad can be paid. The war has brought us military contracts and purchases of supplies on account of Great Britain, France and Russia, the amount of which has been estimated at much higher figures, but may safely be placed at about \$30,000,000; our exports are thus increased and a corresponding ability to pay debts abroad created. One estimate of the result of the war on our foreign trade places the annual value of the imports into Canada, the movement of which is either directly or indirectly affected because of the war, at \$110,000,000. We can gather from this some rough idea of the extent to which our imports will be restricted by inability to obtain the particular articles we desire. It is already clear, however, that reduction will also come from lessened imports due directly to lessened trade at home. On the other hand, exports will be enlarged in quantity and value by the foreign demand for food-stuffs of all kinds, and already the preparations for next year's crop exceed anything known heretofore. Less noticeable, but probably of great economic importance will be the result of the wave of economy which has swept over Canada, mainly an enforced economy, but affecting all alike whether incomes are reduced or not. The effect of the careful use of food alone, the realization of the value of a bit of unused land as a garden plot, the little or great increase in production of almost every farm in Canada, east or west, the willingness to wear out old clothes and to put off the purchase of all luxuries—no matter how desirable—the cry for goods "made in Canada," and the slow but gradual realization that every unnecessary import may be a wrong to Canada even if the purchaser himself can afford it—all of these things must, taken together, materially increase our financial ability to bear the strain of the war. On the other hand, many of our greatest industries

are working on short time, or are practically closed down, our railroad earnings speak eloquently of the contraction of business, men are not thinking so much of making money as of conserving their position for better times, unemployment as a problem faces us as rarely before, and the daily newspaper makes it impossible to forget that our material affairs are a secondary consideration while we rest under the vast shadow of the war.

The clearing-house returns are, as usual, full of interest. For 1912 we had to record the highest figures reached up to that time in our clearing houses—\$9,146,236,000, a gain of 23.74 per cent. over the figures of 1911. In 1913 there was still a gain, but one of only 1.27 per cent., and there was a decline in most of the western cities. This year there is a decline in every city except one, the total for Canada being \$8,070,120,000, a reduction of 12.87 per cent. It will be seen, however, that the figures for 1914 are still well in advance of those for 1911.

We continue our figures for the building permits of the four leading cities:—

	1911	1912	1913	1914
Montreal.....	\$14,580,000	\$19,642,000	\$27,032,000	\$17,619,126
Toronto.....	24,374,000	27,401,000	27,038,000	20,672,498
Winnipeg.....	17,550,000	20,475,000	18,621,000	12,160,950
Vancouver.....	17,652,000	19,388,000	10,423,000	4,484,476

Immigration has nearly stopped for the time being, except from the United States and the Orient, but, owing to the war, it is impossible to obtain figures showing present conditions. We have, of course, lost for a time a large number of our best people by the despatch of our own contingent, by the return of reservists, and in other ways.

The reports of our superintendents and others on the business conditions in the various areas in which the Bank is interested are, needless to say, of more than usual importance. They range from references to the greatest

financial events in the history of the world to the price of the agricultural products of a locality, and they give faithful representations of the various elements working for or against our prosperity. If we consider the awful effects of the war, we can but congratulate ourselves on the manner in which Canada has stood up under the strain and on the spirit shown by her people, while if we look beyond the war, we cannot doubt the ability of this country to carry out every prophecy made as to her future. In connection with the success which has attended our confederation of the North American provinces in one Dominion of self-governing people, we draw attention to the report of our Newfoundland manager, in which the hope is expressed that the last step contemplated by the Fathers of Confederation is now possible of attainment.

The adoption of the report was then moved by the President, seconded by the Vice-President, and carried unanimously.

Mr. G. A. Morrow: I desire to move that the retiring auditors, Messrs. T. Harry Webb, C.A., and James Marwick, C.A., be and they are hereby reappointed to hold office until the next annual general meeting, their remuneration not to exceed \$15,000.

This was seconded by Mr. J. K. Macdonald and carried.

Mr. G. F. Beer then moved that the thanks of the meeting are due and are hereby tendered to the President, Vice-President and other Directors for their careful attention to the interests of the Bank during the past twelve months.

It is with unusual pleasure that I move this resolution. For some months the shareholders have been looking forward with great interest to this meeting. Need I add that the financial statement just presented is not only much more favourable than we had anticipated, but equal to that of normal years, despite the unusual conditions

resulting from the war. The shareholders therefore appreciate more than ever the great services rendered by the Board which have made such a statement possible.

Mr. Alex. Bruce, K.C.: I have much pleasure in seconding the resolution that has just been moved by Mr. Beer. With the statement that is in our hands, and the full explanations that have been given by the President and General Manager, we can see that the Bank's affairs have received very careful attention at the hands of the Directors. I think that the community owes a great deal to the foresight of the banks in beginning the restriction of business and credit, even before the war was thought of; this has enabled all of us to pass through the crisis more successfully.

The President: On behalf of the Board I have to thank you once more for this expression of confidence in us. It would be absurd not to admit that this is the hardest year we have ever passed through, because I suppose it is the hardest year that any of us have ever gone through, no matter what our position may be. As regards the war, we have to seek to be satisfied with the reflection that thus far we are a great deal better off than we dreamed in August and September last would be possible; and we must meet as well as we can, in the interests of Canada, each new difficulty as it arises. Every day we feel more confident that we shall be able to meet the problems and the difficulties which must confront us in the future.

Mr. Davidson: I beg to move that the thanks of the meeting be tendered to the General Manager, the Assistant General Manager and other officers of the Bank for the satisfactory discharge of their respective duties during the past twelve months.

One cannot but be impressed with the greatness of the burden which is placed upon the members of the staff of the Bank and especially upon the General Manager and the Assistant General Manager in caring for the

\$245,000,000 of assets, but it is abundantly apparent that the result of their work has been satisfactory when we find that after making payment of the usual dividends the sum of \$1,100,000 is carried forward at the credit of Profit and Loss. Another striking fact is the statement of the General Manager that there are 3,500 officers in this Bank. When one thinks of this great army of men spread, I might almost say, all over the world, we are bound to recognize the immense amount of intelligence, integrity and ability which must enter into the successful result now reported to us. One would wish to be able to thank each one of the officers individually, if this were possible, but it cannot be out of place for us to record specifically the appreciation by the shareholders of the 350 officers who have withdrawn themselves from comfort in their offices to undertake military duties in the defence of their country.

Mr. E. M. Saunders then seconded the resolution.

Mr. Aird: I am sure, Mr. Chairman, that the staff will feel doubly pleased, if that be possible, in having the shareholders pass this resolution to-day. The Executive have not been able, owing to the depression in business, to treat the staff as liberally as in former years, but notwithstanding this they have performed their heavier duties without a murmur. As has been intimated to you, our ranks have been depleted by some 350 to 360 men who have gone to the front. Some of these men, gentlemen, are on the firing line, some are in the trenches, others are in training camps. We have many other men who are training in one way or another, and we feel sure that they will all do their duty.

We have had one man killed, and it grieves us very much to think that many of the men who have gone forward may never return. The shareholders may rest satisfied, however, that as long as the Executive can surround themselves with such men as these their interests will be well served.

Mr. H. B. Walker: I am very glad indeed, Mr. Chairman, to have an opportunity of responding to this resolution, which Mr. Davidson has so kindly and eloquently moved. Although it is, perhaps, a part of the general routine of an annual meeting, yet I am sure that it is none the less a sincere expression of your approval of the staff, and I know it will be valued as such throughout the Bank, and also by those of our number who are doing their duty in military service abroad, to whom Mr. Aird has so feelingly and appropriately referred. We are all proud of these men: they are doing their duty, but I can assure you that the Bank of Commerce is an institution in which every man learns to do his duty.

Mr. Vere Brown: Mr. Chairman and gentlemen, I believe that a great many shareholders of the Bank know that there is such an exceptional quality in the service rendered by the staff of this Bank that this vote of thanks should be regarded as meaning more than the formal courtesy it so often signifies. Because of the large number of our men absent serving the Empire, in the district with which I am connected there is a situation at the country branches where three men are doing the work of four, while numerous country managers have been obliged to do their own typewriting, but all of them are meeting the emergency with the utmost cheerfulness.

I should like to say that this quality of service on the part of the staff of this Bank is so marked that it has even created a problem of administration. The remuneration of bankers has to be based on efficiency in building up sound business and in lending money safely, but we have in every class, from that of the highest efficiency to that of the least efficiency, an abnormal percentage of men who are giving their best—giving their all—in a spirit of devotion to the Bank, and the only means as yet provided for rewarding men for this kind of service is by shareholders' votes of thanks. So you will forgive them,

gentlemen, if they have come to take this annual vote of thanks with some solemnity and to insist that the officers who are privileged to respond on their behalf should acknowledge the vote with grave appreciation. That is what I wish to do.

Dr. Hoskin: Mr. Chairman, I beg to move, seconded by Mr. F. P. Jones, that the meeting do now proceed to elect Directors for the coming year, and that for this purpose the ballot box be opened and remain open until three o'clock this day, the poll to be closed, however, whenever five minutes shall have elapsed without a vote being tendered, the result of the election to be reported by the scrutineers to the General Manager.

Mr. F. P. Jones then seconded the motion, which was carried. The meeting then adjourned.

The scrutineers subsequently announced the following gentlemen to be elected as Directors for the coming year: Sir Edmund Walker, C.V.O., LL.D., D.C.L., John Hoskin, K.C., LL.D., D.C.L., J. W. Flavelle, LL.D., A. Kingman, Hon. Sir Lyman Melvin Jones, Hon. W. C. Edwards, Z. A. Lash, K.C., LL.D., E. R. Wood, Sir John M. Gibson, K.C.M.G., K.C., LL.D., Robert Stuart, George F. Galt, Alexander Laird, Gardner Stevens, A. C. Flumerfelt, William Farwell, D.C.L., George G. Foster, K.C., Charles Colby, M.A., Ph.D., George W. Allan, K.C., H. J. Fuller, F. P. Jones.

At a meeting of the newly elected Board of Directors, held subsequently, Sir Edmund Walker, C.V.O., LL.D., D.C.L., was elected President and Mr. Z. A. Lash, K.C., LL.D., Vice-President.

REVIEW OF BUSINESS CONDITIONS DURING THE YEAR 1914

NEWFOUNDLAND - - - - -	The St. John's Manager
THE MARITIME PROVINCES - - - -	The Halifax Manager
QUEBEC - - - - -	The Montreal Manager
ONTARIO - - - - -	{ The Assistant General Manager
MANITOBA, SASKATCHEWAN AND ALBERTA - - - - -	{ The Superintendent of Central Western Branches
BRITISH COLUMBIA AND YUKON - -	{ The Superintendent of Pacific Coast Branches
THE UNITED STATES - - - - -	{ The New York Agent and the Superinten- dent of Pacific Coast Branches
GREAT BRITAIN - - - - -	The London Manager

REVIEW OF BUSINESS CONDITIONS DURING THE YEAR 1914

NEWFOUNDLAND

Newfoundland, in common with other countries, has faced this unusual year with considerable fortitude.

For a number of years the colony has enjoyed the advantage of high prices for fish and of having large sums spent on railroads, pulp and paper mills, etc., in consequence of which it has been fairly prosperous. Early in the year it became evident that, owing to the difficulty of getting further funds for constructive purposes, the community must prepare itself for a period of less activity and adopt a less progressive policy. Happily, the fishing industry, which is the country's mainstay, this year produced \$11,500,000, a sum about equal to the value of the fisheries of the Maritime Provinces of Canada. While this amount is \$2,000,000 less than in 1913, due to lower prices and a slight shortage in the catch, the shrinkage is not sufficient to create a distressing condition.

The pulp and paper industries have been active, and the exports for the year ending June 30th amounted to \$2,200,000. Exports of iron ore for the same period approximated \$1,400,000, but the past few months will show a material falling off, due to the unsatisfactory state of the steel industry and the proclamation against ore shipments to Europe.

The imports and exports of the colony for the past fiscal year each totalled about \$15,000,000, a falling off in the former of \$1,000,000.

Throughout the year all the local factories have been running as usual, and while general business is not brisk, unless some unforeseen contingency arises to prevent the

marketing of present stocks of fish, the people of Newfoundland will pass through this crisis as well as those of any other country.

Probably the most interesting development of the year has been the changed attitude towards confederation with Canada. The people are beginning to realize the difficulty of a small population supporting such a financial burden as is necessary to carry on the government, development and exploration of such a large country as Newfoundland. In order to do the country justice, large sums should be spent on geological research, the marine and fisheries department, and similar matters, but the increase of debt involved seems a greater burden than the people are able to bear. Canada's progressive policy in exploiting natural resources, the advantages of her British preferential and other moderate tariffs and, above all, her magnanimous spirit in the Empire's crisis, have changed a sentiment of indifference to one of admiration, and it would not be at all surprising, in the event of overtures being made to this colony, to see it join the Dominion.

MARITIME PROVINCES

The ordinary business of these provinces is in good shape excepting where our manufactured products depend on a market in the western provinces, and this is in a large measure confined to a few of the principal industries. Lack of success, apart from this, may be traced to poor management and kindred causes. The natural products of the year have been equal both in quantity and price to the best of those of former years. At Halifax, St. John and other points public works of considerable importance are in progress, and the distribution from this source for wages and local supplies is about \$700,000 per month. This has had the effect of keeping the usual amount of money in circulation.

We are pleased to be able to report that the native-born in increasing numbers are remaining in the provinces and turning their attention to farming and other local occupations, though upwards of seven thousand men have surrendered their civil employment and are now on military service. In addition, the immigration into the provinces, small as yet, is of good quality, and we regard these circumstances as extremely important factors in the encouraging prospects which we believe are in store for the Maritime Provinces.

In Prince Edward Island the reports from almost every section are of a satisfactory character, and it may be said that 1914 has shown good progress and abundant prosperity. The products of the farm and fisheries have been estimated at \$15,000,000 in value. These are the Island's main sources of wealth, and engage 80 per cent., or about 80,000, of the population. The estimated present number of farm stock is given below, together with the census returns of 1891, 1901 and 1911.

	1891	1901	1911	1914
Horses.....	37,329	33,358	36,720	36,114
Milch Cows.....	45,849	55,694	51,000	47,317
Other Cattle.....	45,730	56,118	65,000	61,048
Sheep.....	147,372	125,175	87,000	85,351
Swine.....	42,639	47,624	38,000	41,718

It is somewhat disappointing, however, that the province is not holding its former position in the number of milch cows and sheep.

The fox industry has not experienced the activity of the previous year, but there is reported a present stock of 4,587 animals of all kinds. The sworn value of the young foxes reared this year is \$6,577,586, and the revenue to the Provincial Treasury from this source, at 1 per cent., will be \$65,775.

Agriculture is the main industry of New Brunswick also, and in the past season, with an increased acreage, has produced very good results. The hay and oat crops were

above an average and are bringing good prices. Potatoes were very abundant, and while the price is low, as the quality is good, the surplus can be carried safely into the winter, when no doubt prices will improve. The estimated value of the field crops was \$18,000,000 and of the total agricultural products \$30,000,000.

No systematic or reliable statistics are kept, but from the figures which we are able to procure, the position of the live-stock industry must be regarded as unsatisfactory here also, and the number raised falls very far short of the capabilities of the province. The increase in potato culture has in a measure drawn attention away from hog raising, and the dog nuisance still appears to be the chief difficulty in the way of increasing the number of sheep, for which much of the land is well adapted. The Department of Agriculture, however, is alive to the needs of the situation and has measures in hand which it is confidently expected will bring about a substantial improvement. We give below live-stock statistics covering the census periods of 1901 and 1911 and an estimate for 1912, 1913 and 1914.

	1901	1911	1912	1913	1914
Horses.....	55,857	66,800	66,800	65,100	65,702
Milch Cows..	105,992	123,300	125,500	106,900	102,713
Other Cattle.	114,938	110,500	110,000	107,900	99,256
Sheep.....	180,626	190,800	179,300	135,100	121,739
Swine.....	50,243	93,000	91,400	77,000	73,325

The farmers of Nova Scotia have had one of the best years in the history of the province. Everything which the soil produces has been a good crop in quantity and quality, and is bringing good prices. There was some increase in the acreage under cultivation, and the production of grain, including wheat, showed a substantial increase. Notable progress is being made in the dairy industry. In 1913 the output of the creameries was 50 per cent. greater than in 1912, and this season shows an increase of 30 per cent. over the output of last year.

As will be seen from the following statistics, which since the last census period are only estimates, there is some progress in the raising of live stock in Nova Scotia, although, as in New Brunswick and Prince Edward Island, there is yet plenty of room for improvement:—

	1891	1901	1911	1912	1913	1914
Horses.....	65,047	62,508	61,355	63,809	66,361	67,688
Milch Cows.	141,684	138,817	129,302	130,595	135,818	138,534
Other Cattle	183,088	177,357	158,122	159,703	159,703	161,300
Sheep.....	331,492	285,244	220,907	220,907	217,698	217,698
Swine.....	48,048	45,405	63,322	64,588	64,588	67,817

The value of the agricultural products of Nova Scotia for the past year was estimated at \$31,000,000. On the outbreak of the war the Premier of the province addressed a letter to the farmers pointing out the opportunity for increased agricultural production and the important service which would thereby be rendered to the nation in the present crisis. This appeal has met with a good response, and we look for a further substantial increase of probably 15 to 20 per cent. in the cultivated acreage next year. The Agricultural College at Truro continues in a high state of efficiency and is doing invaluable service to the farmers.

The total lumber cut in Nova Scotia and New Brunswick in 1914 was scarcely up to that of 1913, but the deal shipments were larger. The total trade in deals was estimated at 400,000,000 feet, and prices averaged \$16.75 per thousand feet, ranging from \$14.50 to \$19, the latter being the outside high price for a good specification. This return is better than that obtained in average years, and is \$2.50 per thousand above that of 1912. Owing to the shutting off of the Baltic supplies on account of the war, the market in England for deals at the present time is very firm, and is almost certain to continue so, at least throughout the first half of 1915. Our expectation therefore is that a larger cut of deals than usual will be

made this winter. The American market, excepting in April and May, was satisfactory at no time during the year, but the local trade kept up very well until the end of August. Throughout 1915, especially in connection with the large public works in progress, we expect the local demand will be very fair. All the manufactured stock of 1914 has been well cleaned up and the industry is in a sound position. The usual quantity of mechanical pulp was manufactured and produced fair profits, but the English market is at present extremely depressed and the immediate outlook is not bright. There is some prospect of a trade in pit props, but as the price which the mine owners of Great Britain have been paying for European supplies delivered is about the same as the minimum price at which our people can afford to sell them f.o.b. Halifax, we do not look for any considerable business in this line unless the war is a long one. There was no damage to speak of from forest fires during the year.

In our fisheries there is no new development to report. The early months of the present year were marked by a steady demand for dried fish of all grades, and the existing stocks were cleaned up at profitable prices, the best grades realizing \$8.50 per quintal, which is a new high record. When the new catch came on the market everything pointed to a healthy and profitable business for the current season, as there was a good demand from the consuming markets and the catch was up to the average. But the war upset these bright prospects, and owing to the financial troubles which developed in South America, the uncertainty of financial conditions in the importing countries of Europe and the largely increased cost and difficulties of transportation, there has been a considerable decline in values in the last three months. At the present time, however, fish is one of the cheapest food products available, and a larger consumption is therefore looked for while these conditions continue. As our total stocks are estimated to be 100,000

quintals below those of 1913, the producers will be able to market all their holdings at prices which, we think, should show a fair margin of profit.

Without any improvements in methods, the shore fishermen have had a good season. There is a growing demand for our product from all over Canada, and there is also a large increase in the shipments of green fish to the United States. The lobster fishery was about equal in quantity to that of 1913, but was worth more to the fishermen, and until the outbreak of the war was also worth more to the merchants and jobbers. At that date it is estimated that from one-third to one-half of the total pack was still either in first hands or held by jobbers; and as the commodity is a luxury, and its consumption largely confined to the countries at war, the market for it was very seriously affected. This creates a situation without any precedent; and to save the trade from demoralization, and in the best interests of the fishermen themselves, representations are to be made to the Dominion Government that packing should be entirely suspended during 1915. This would still permit the trade in live lobsters of the largest size, and probably enable the holders of the canned goods to dispose of their stocks. The progress in oyster culture referred to in our last report has been well kept up with satisfactory results. The value of the fishing industry in the Maritime Provinces for 1914 is estimated to be \$14,000,000.

The output of coal was less than in 1913, but did not fall below 7,000,000 tons. Had the steel plants at Sydney and New Glasgow used as much as in previous years there would probably have been no decrease. There has been no over-production and all the mines are in excellent order, quite equal in capacity, it is believed, to increasing the annual output to 10,000,000 tons. Prices have been steady, and labour conditions were satisfactory.

Nothing calling for remark has taken place in connection with the other mineral resources.

The depression which fell on the iron and steel industry has been very severe, and substantial recovery, under the most favourable turn in trade, will take some time. Both companies are experimenting with trial orders in new lines and in new markets, and are leaving nothing undone to keep their organizations intact in order to be in a position to take advantage of any business which may arise. The car plants at Halifax and Amherst are in a somewhat similar position. A number, however, of what may be called the secondary industries have had a very fair year, and since the war some of them have been working overtime. Everything considered, however, the present outlook is not favourable for manufacturers.

Excepting in the two or three principal industrial centres, general mercantile trade is not far below an average, and the number of business failures has not materially increased. Slackness in building has been reflected in the hardware trade and in brickyards; and special advertising, and the prevalence of bargain sales, especially in dry goods, would indicate a dull autumn trade, which might be partly accounted for by the very fine weather. On the other hand, the wholesale trade in dry goods and groceries has been well up to that of 1913.

The decrease of 10 per cent. in Customs returns and of 25 per cent. in the earnings of the Intercolonial Railway in a measure reflect the recession in trade. The unimportant decrease of 10 per cent. in the clearing house figures is due partly to the closing of the stock markets and the practical stoppage of all investment business.

The crisis at the outbreak of the war was calmly faced by the business community. Money was kept in free circulation. There was never any talk of a moratorium in the Maritime Provinces, and even when exchange was at its highest some of our merchants chose to continue to make their regular remittances.

QUEBEC

Whatever may be said with regard to the difficult conditions under which trade and manufacturing have been carried on during the year, there is no doubt that the results of farming operations in the Province of Quebec have been on the whole very satisfactory, especially when the high prices obtained for all classes of farm produce are taken into consideration. Hay and clover constitute the chief source of agricultural wealth in this province. The area under this crop is estimated at 2,979,000 acres this year. During the five-year period 1908-1912 the value of the hay and clover grown reached an annual average of \$45,141,000, or about 53 per cent. of the total value of the farm products of the province. The crop in 1913 is estimated to have yielded \$49,154,000. This year it suffered from the effects of exceptionally dry weather during the early summer months, and while conditions varied a good deal in different parts of the country, the total was below the average, although the prices obtained compensated to some extent for the shortage in yield. Owing to the high level of prices for hay in recent years, there appears to be a tendency among a certain class of farmers to give too much attention to hay growing and to keep as few cattle as possible. Better farms would result from using at least 50 per cent. of the hay for feeding stock. The crop of oats this year was above the average and the grain was of an excellent quality. In some cases, in October, the farmers obtained 67½ cents per bushel for oats, which is probably the highest price ever paid in the fall in this province. The crop of 1913 was estimated at 39,025,000 bushels, which has probably been exceeded this year. The area sown to oats this year was 1,327,000 acres, slightly less than in 1900, when the acreage was 1,350,031. The average yield per acre has, however, increased from 24.84 bushels in 1900 to 29.25 in 1913. The barley crop was excellent both as to the yield and

the quality of the grain. The quantity of barley grown in the province, however, appears to be steadily diminishing. The average crop during the last few years has been about 2,250,000 bushels, as compared with 2,536,000 bushels in 1900. The area sown to barley has declined from 104,000 acres in 1900 to 85,000 in 1914. The wheat crop is reported to have been unusually good this year, but the quantity of wheat raised is comparatively small. The wheat grown is practically all spring wheat, the area seeded this year being about 55,000 acres, as against 139,344 acres in 1900. The root crops were above the average, the yield of potatoes being especially satisfactory, though in some districts there was damage from rot. The total yield of potatoes, which is the crop third in importance in this province, was 20,504,000 bushels in 1913, and the yield this year will probably not fall short of these figures.

There was a fairly good crop of small fruits, and those apple orchards which had received proper attention in some cases yielded well. The country is still suffering from the effects of the tent caterpillar plague of last year, although more attention was paid to the destruction of the nests this spring.

Reports regarding tobacco, while varying to some extent, appear to indicate a smaller yield, estimated at about 5,000,000 lbs. or about two-thirds of an average crop. The quality is good and the area under cultivation is about 4,750 acres. In some districts there is a tendency to grow less tobacco, as it has been found to impoverish the soil more than was anticipated, and while it pays much better than any other crop, it is felt by many farmers to be a wise policy to grow less tobacco and to add to the number of their cattle.

The maple sugar season opened early under favourable conditions, but the yield proved somewhat less than that of the previous year, the quality, however, being good. The quantity produced averaged from one to two pounds

per tree. This is a somewhat important industry, the figures of the latest census showing that the value of the annual output of the province is estimated at \$1,680,000. During the year legislation was passed making it illegal to use the word "maple" on any article exposed for sale which is not the pure product of the maple tree. It is expected that this law will have a beneficial effect upon the maple sugar industry by preventing adulteration. As the first government bulletin issued in 1905 showed that 76 per cent. of the maple sugar and syrup sold was adulterated, it can readily be seen how important the new Act may be if rigidly enforced.

Dairying was carried on during the year under favourable conditions and the returns were satisfactory. It is regrettable to note, however, that there is a falling off in this important industry as a result of the heavy shipments of cattle to the United States following the reduction in that country's tariff last fall. Attracted by the unusually high prices offered, farmers sold large numbers of cattle, and instances have come under notice where they disposed of their entire herds. It is estimated that the number of milch cows in the province decreased by 28,340 from July, 1913, to July, 1914. The export of cream to the United States continues to increase, and owing to the high prices obtained is said to be more profitable than butter-making. The very large demand from the cities and towns for milk has resulted in lessening the production of cheese, and as the majority of farmers do not get back buttermilk and whey from the butter and cheese factories, very little pork is being raised. It is doubtful whether these changes have benefited the farmer.

During the first eight months of 1914 prices for all kinds of live stock were on the same high level as in the preceding year. The shortage of beef cattle in the United States, and the consequent high prices, drew large supplies of Canadian cattle to the markets of that country. The

continued shortage of hogs made a ready market at good prices for pork products. The outbreak of war caused a sharp advance in the price of provisions, particularly during August, and many merchants purchased in anticipation of their requirements for some months ahead. The markets have since reacted, however, and pork products are now lower than at any time during the last two years. As yet, Quebec does not produce enough cattle or hogs to supply its own population. Outside a small section of the Eastern Townships few beef cattle are raised, and the Montreal markets depend chiefly on Ontario stock for their supplies. As far as natural conditions are concerned, there would seem to be no reason why Quebec should not produce at least sufficient cattle to supply its own beef requirements. The extensive exportation of cattle to the United States last fall appears to have stimulated stock breeding, and efforts are being made in some sections to improve the quality of the live stock raised, farmers availing themselves of the offer of the Federal Government to furnish each district with pedigree sires. This should have a beneficial effect in two or three years from now. In the meantime, however, the number of cattle shows a decrease for the year. It has always been said that the severe winters in this province prevented farmers from raising hogs to advantage, but the best answer to this argument would seem to be found in the experience of the western provinces during the last few years. These provinces, which were until recently buyers of pork products for their own consumption, have been able this year to ship in large quantities. A leading packing concern in Montreal states that of its total receipts of hogs for the first ten months of this year, 63.3 per cent. came from Ontario, 15.4 per cent. from Winnipeg and western points, and only 11.3 per cent. from Quebec. There is a steady market for all the hogs that can be raised, and it is to be regretted that more attention is not given by the farmers of Quebec

to this profitable industry. The same may be said of sheep raising, for which conditions are very favourable in this province, the production, however, not being what it should be. More attention is being paid in some quarters to the raising of well-bred draught horses, but these are not in very active demand at the moment. During the fall a very considerable number of light horses were purchased by the Government for military purposes, the prices paid averaging about \$170. The following figures with regard to the holdings of live stock in Quebec are furnished by the Census and Statistics Office of the Department of Trade and Commerce:—

	1st July, 1913	1st July, 1914
Horses.....	369,974	372,009
Milch Cows.....	761,816	733,476
Other Cattle.....	693,540	625,598
Sheep.....	602,751	571,287
Swine.....	661,768	634,569

In view of the prospect of a very serious decrease in the supply of food in Europe during next year, as a consequence of the war, there is urgent need that every effort should be made by the farmers of this country to increase the output of their farms to the utmost extent and to add as much as possible to the area under cultivation. It is encouraging to learn that in many parts of the Province of Quebec farmers have taken advantage of fine open weather to do a great deal of fall ploughing. Much new land has been prepared, and it appears likely that there will be a greater acreage of grain in Quebec in the year 1915 than ever before. There is a general complaint that farm labour is scarce, but this is largely due to the fact that though men are willing to work on a farm all the year round they are turned off when the fall sets in. If farmers would raise more cattle, and seek in other ways to give steady employment to their hands during the whole of the year,

this vexed question would doubtless be solved. The farmers throughout the province are exhibiting a stronger tendency to increase their efficiency by the use of more scientific methods and improved farm machinery, and great credit is due to the Department of Agriculture and to Macdonald College for their excellent work along these lines.

The total value of the mineral production of the province amounted to \$11,187,110 in 1912, of which metallic minerals formed only a small proportion. Asbestos heads the list. During the last few years there has been an increased demand for "crude" or long spinning fibre asbestos and a corresponding decrease in the demand for the lower grades. An analysis of the available figures as to the output of the mines shows a falling off in crude asbestos, which has been the main source of profit. In consequence of this nearly all the mines not producing the higher grades are not being operated. During the year prices have remained firm and have increased slightly for the better grades. It is estimated that Germany and Austria take about 60 per cent. of the crude asbestos produced in this province, and as it is at present impossible to ship to these countries the business has temporarily received a severe check, and a number of important mines have closed down since the outbreak of the war. Last year 136,609 tons of asbestos fibre were shipped from the producing centres, which are Thetford Mines, Black Lake, Danville, Robertsonville and East Broughton. The value of the asbestos shipped during 1913 reached \$3,830,504, the highest figures yet recorded. The figures for the present year are not yet available, but will doubtless show a considerable reduction.

The winter of 1913-14 was very favourable for lumbering operations, and stocks which were held up in the woods in 1912-13, together with the new cut, were all taken out during last winter and spring. The season opened satisfactorily and lumber brought fairly good prices early in the year,

notwithstanding the general depression in the building trade. Since the war began, however, there has been a marked falling off in the demand for lumber and timber, although there have been some shipments to England and France. The erection of temporary huts and sheds for troops has considerably increased the demand for cheap Canadian deals; and the temporary closing of the Baltic Sea and the heavy risk on shipments to Great Britain from White Sea ports have led to a demand for the cheaper Canadian woods. It is interesting to note that a British Commission recently visited the province to arrange for a supply of pit props for English coal mines. The lower St. Lawrence is well adapted to supply this timber, but the margin of profit will be small, as the price must be very close. There has been a decided over-production of pulpwood, and much of the wood cut last winter is still at the railway sidings. A very considerable portion of the pulpwood cut in the Province of Quebec is shipped to United States paper mills, a number of which have been unable, owing to shortage of water, to grind the supply already on hand and have been obliged to purchase crude pulp in this market. The result has been a falling off in the demand for pulpwood and a corresponding increase in the demand for pulp, which latter has been moving out quite freely at satisfactory prices during the last few months. Operations in the woods this winter will probably be on a very limited scale in view of the large stocks of lumber and pulpwood now on hand.

The Provincial Government should be commended for the encouragement it continues to offer municipalities to take part in the Good Roads movement, which has extended all over the province during the last year or two. During the year 1913-14 the expenditure for the improvement of roads by the Provincial Government, either from the regular budget or by loans authorized by the Good Roads Act of 1912, amounted to \$1,592,392.

The following table shows the volume of the exports of grain from the port of Montreal:—

	1913	1914		
Wheat.....	33,252,893 bus.	60,618,057 bus.	Inc.	27,365,164 bus.
Oats.....	7,255,622 "	8,408,130 "	"	1,152,508 "
Barley.....	5,181,484 "	4,493,015 "	Dec.	688,469 "
Flaxseed.....	8,253,544 "	183,276 "	"	8,070,268 "
Rye.....	210,808 "	366,460 "	Inc.	155,652 "
Corn.....	50,821 "		Dec.	50,821 "
	54,205,172 "	74,068,938 "	Net Inc.	19,863,766 "

The large increase in grain exports this season is partly due to the fact that the lateness of the crop of 1913 caused much of it to be shipped in the early spring of this year. In addition, large quantities of American wheat were shipped via Montreal during the same period. The season may be regarded as a satisfactory one in every respect, both as to the increased volume of business and the resulting profit. With the British fleet in control of the seas, there was no difficulty in making shipments to the United Kingdom and other countries to supply the heavy demand for wheat which developed after the war commenced. The exports of cheese again show a decrease, the total shipments for the ports of Montreal and Quebec aggregating 1,492,580 boxes, valued at about \$18,500,000, as compared with 1,580,825 boxes in 1913 and 1,724,274 in 1912. The demand from English importers has been active, and the stock carried over in Canada this season is at the lowest point for many years past. Shipments of flour amounted to 2,764,140 sacks, an increase of 16,948 sacks over the figures of 1913. The volume of export business during the months of May, June and July was disappointing, the low prices for grain prevailing in the United States markets making it difficult for Canadian millers to compete for foreign trade. Upon the outbreak of war, however, a very active demand, at advanced prices, developed for flour, and sales were

very heavy during August and September. The Canadian gift of 1,000,000 sacks of flour to the Imperial Government, the largest single order ever placed in Canada, was well distributed among the leading millers. The exports of hay from the port of Montreal for the season 1914 aggregated 493,073 bales, of which 443,603 bales were shipped for Government account. This is an increase of 203,022 bales as compared with 1913, but considerably lower than the figures of 1910, 1911 or 1912. Shipments of timber decreased 34,417,766 feet, the total for the year being 71,401,401 feet, as compared with 105,819,167 feet in 1913.

Sales of real estate have been very restricted during the year, and there has been a steady decrease from the high prices obtained during the period of inflation which culminated in 1912. The collapse in the value of outlying sub-divisions and other speculative real estate has brought severe losses to purchasers of such properties, but well-located city and suburban properties of the revenue-producing class have maintained their value reasonably well and there have been comparatively few sales at forced prices. There has been a good deal of overbuilding during the last few years, as far as immediate requirements are concerned, but this is a condition which will doubtless right itself upon the return of more prosperous times. Speculation in real estate has ceased for the time being, and this is helping to bring about a much-needed readjustment of land values and rents. While confidence is not shaken in the stability of real estate investments of the right kind, it is likely that in future prices will be based more upon earning power than upon the speculative prospect of an increase in value.

Manufacturing operations generally in the province are being conducted on a considerably reduced scale, though some lines have benefited by the increased demand for supplies made necessary by the war. The large orders

placed by the Imperial Government for military equipment and ordnance stores are helping to keep many plants going, thereby lessening the number of unemployed. With construction operations of every description at a standstill, the various industries dependent upon this class of work are finding business very quiet. Trade generally is gradually adjusting itself to meet the prevailing conditions, though these, if unduly prolonged, may severely test the stability of many business enterprises. There is a general tendency in the direction of reduced expenditure and economy has been reinstated as one of the virtues. The underlying conditions of trade are sound, and while the present outlook is too clouded to permit of a forecast, there is no diminution of confidence in the future of trade and agriculture in this province.

ONTARIO

Our remarks upon the agricultural and business conditions in Ontario during the past year are based, as heretofore, on information received from official sources, as well as on reports furnished by the managers of our numerous branches throughout the province. In addition to these sources of information, we made somewhat extensive personal examinations over a wide area of old Ontario during the months of July, August and September. Our observations compel us to believe that the inhabitants of Ontario have cause for much thankfulness at this dark moment of the world's history, when so many millions are involved in the titanic struggle now in progress on the Continent of Europe, that we in this province should feel its ill consequences so lightly.

To the farming community, occupied in that great industry which is the basis of our general prosperity, the year has brought good crops, any deficiency being supplied, and more than made good, by the high prices prevailing as a result of the war. There are districts, of

course, limited in area fortunately, where damage from a prolonged midsummer drought and by the ravages of the army worm and other pests has been considerable, but through prompt action by the Provincial Government and municipal authorities the area affected by the latter scourge was restricted and the loss to the farmer reduced to a minimum. The crops principally affected by the drought were fall wheat, barley, peas, beans and hay. These were noticeably below those of last year in yield, while spring wheat, oats, rye, buckwheat, mixed grains and corn, particularly the latter, showed satisfactory increases. From the official figures published to date it is learned that the money value of this year's crops, owing to the enhanced prices occasioned by the war, will exceed that of last year by the sum of at least \$50,000,000, the total estimated value for 1914 being \$245,000,000, as against \$191,000,000 for 1913.

At the time of writing, new fall wheat never promised better. The ground at seeding was in fine tilth, and the catch was perfect. Copious rains and warm weather brought the young crops along in splendid form, until now the only fear is that the luxuriant growth may have given the plants too much top for enduring the winter. A few complaints are made of the Hessian fly and the wireworm, but only slight injury has been done by these or other pests. The season of 1914 may indeed be described as peculiarly favourable to fall wheat, the condition of the fields never having been better, while the increase in acreage is one of the largest on record. It is estimated that the increase in the area under cultivation for 1914-15 will be about 140,000 acres.

Root crops generally were satisfactory, the yield exceeding not only that of last year, but that of many previous years. Potatoes were an exceptionally good crop, both as to quality and quantity, exceeding the crop of 1913 by over 7,000,000 bushels.

The yield of all fruits, apart from the complete failure of peaches in the Niagara district, has been most abundant, and for early fruits, such as strawberries, good prices were realized. The prices of the later varieties of small fruits did not come within 20 per cent. of those of the previous year. While the peach crop was a total failure in the Niagara district, excellent results were obtained both as regards quality and quantity in the south-western orchards of old Ontario. The most disappointing crop of fruit, considering it from the view-point of cash results, is the apple. The quantity was quite equal to that of the best years, and the quality was excellent. To the war again, however, must be laid one of the chief reasons for the small cash return. The demand from Europe fell considerably below that of previous years, and while some good orders were obtained, it was not possible to secure vessels to convey the fruit out of the country, and it is estimated that many thousands of barrels of choice varieties were allowed to go to waste for this reason. There is another reason, however, why the profits to the grower are not greater, and we have referred to it on former occasions. It is the lack of proper and careful packing and handling of the fruit. There is no fruit crop in Ontario which should produce better cash results than the apple, and yet it is very often disappointing not only to the producer, but to the consumer. The quality produced this year could hardly be excelled, and yet we know that it is difficult to obtain apples of the first grade, even if good prices are offered. The excellence of the apple produced this year indicates that there has been a continuance of the system of planting new trees started some years ago and that a proper system of spraying and pruning has been adopted, for without these we cannot continue to produce a first-class article. It would seem therefore that it is to the traders who buy and sell the crop that we must look to increase the profits

from the industry. The Provincial Government authorities and the officials of the Fruit Associations should get together and devise some means of assuring the consumer that when he pays the price for a good article he will receive an "honest pack."

An industry closely allied with the growing of fruit and vegetables is the canning business. The pack of this year is reported to be large, but it would appear as if severe competition will reduce the profits to a low figure. Particularly large packs have been made in tomatoes, peas and corn, and, in addition, large holdings of similar goods have had to be carried over from the previous year. Of fruits, the largest pack has been in pears, smaller packs than usual being made in raspberries, plums and strawberries, in consequence of the large quantities carried over. The prospects of the canner therefore are not very bright. His lesser profits, however, will benefit the consumer, and the lower prices which are likely to prevail will doubtless, notwithstanding the depressed condition of business, help to clean up the large stocks carried over from last year.

The cut of lumber in the Ottawa valley proper is estimated this year to be 375,000,000 feet as against 475,000,000 feet for 1913, that is, about 100,000,000 feet less. The shrinkage in the cut is in consequence of the low water in the Ottawa River and its tributaries, of which the Gatineau is the most important. The cut in the other lumbering districts of Ontario will probably show a somewhat larger percentage of decrease as compared with the year 1913. The manufacturers of the Ottawa valley will, however, have some advantages over the manufacturers at other Ontario points. The latter are practically limited to the home market for their sales, whilst the former have now, and generally have had, not only the home markets but also those of Great Britain and the United States. The financial situation has caused a distinct falling off in the demand from

the home market, and not much change in this situation can be expected until there is a marked revival in Canadian industries and normal conditions are again established. The American market, too, has been affected in a somewhat similar way to our own, and since the commencement of the European war shipments have been smaller. It is the opinion of the lumber people, however, that a revival of business in the United States will take place in the spring, when they look for distinctly better conditions. As to the markets of Great Britain, it is expected that the closing of the North Sea will shut out to a large extent the supplies which have been previously received from Russia, whilst shipments from Norway and Sweden must also necessarily be materially reduced. These conditions will doubtless bring about a considerable demand for the poorer and lower grades of spruce and white pine, rather than for deals and higher grade lumber. Some contracts recently have been made with British dealers where the manufacturer assured of proper shipping facilities from Canadian ports. The requirements of large vessel space, however, by the British Government have interfered with the business, but it is hoped that, so soon as Great Britain secures a better command of the seas a profitable business may be established. The prices of high-grade lumber during 1914 were considerably less than in the two preceding years, but the drop took place before the war and was largely due to the financial conditions in foreign countries. As to the future, we look for a reduction of 10 to 15 per cent. in the price of deals and of the higher grades of lumber. The cut of logs in the woods this winter will, it is estimated, run from 25 to 30 per cent. less than that of last year, but this will not necessarily mean a falling off in the output of the mills, as many concerns have large stocks of logs in the rivers. The cost of labour is about 30 per cent. lower than for several years, while camp supplies, such as hay and grains, flour and

some other lines of provisions, are somewhat dearer. Pork, an important item of expense, however, is at this time cheaper. Allowing, therefore, for the changed conditions mentioned, it is anticipated that the logs, and doubtless the lumber also, will be produced more cheaply this season than for several years previously.

Few people, we believe, realize that the war has brought about greater activity in the development of some of our mining districts which produce the baser minerals and metals. In Central Ontario alone great activity has occurred in the production of talc and iron pyrites. The latter, or sulphide of iron, is one of the principal sources of sulphur for the manufacture of sulphuric acid, the basis of the manufacture of most of the heavy chemicals used in the production of ammunition, dynamite, etc. Prior to the war the market was practically a local one, but within the past few months a considerable trade has been done with the United States. As to talc, the development has been even more pronounced, as prior to the war large supplies came from Austria, France and Italy. These sources of supply are now, of course, cut off, and the Madoc talc mines, which are regarded as amongst the largest in the world, are enjoying unusual prosperity owing to the demands of the United States and Great Britain. There are many uses to which talc can be put, but the principal lines of consumption are in toilet preparations, the filling of textiles, paper, soap, paint and rubber compounds, etc. The quality of the article produced at the Madoc mines has improved greatly within the past few years, so much so indeed that the manufacturers of the United States now prefer it to the European article. Nickel is another metal the world's production of which comes mainly from Ontario. We have but one important foreign competitor, the French mine owners of New Caledonia in the Pacific Ocean, but the output of these mines is only 10 per cent. at most, as against our 80 per cent. of the entire output for the world. Whilst

the industry had been prosperous up to the outbreak of the war, it has since lagged and the production has been considerably curtailed.

Of the production of the more precious metals, gold and silver, we are unable to speak as confidently as when writing our report of a year ago. In the silver district at Cobalt little new interest has been aroused in properties or prospects, and no spectacular discoveries have been made to offset this. It is satisfactory to learn, however, that some promising veins have been discovered during the year on the properties which are being worked, and it is estimated that there is as much in proved ore reserves as formerly, namely, fifty million ounces. It is difficult to forecast the production for 1914, as a number of unusual difficulties are presented, such as the closing of some mines for longer and shorter periods and the partial working of others. The shipments for the first six months of the year totalled 13,379,044 ounces, valued at \$7,053,418, being a decrease in money value as compared with the same period of 1913 of \$640,295. Making as close an estimate as possible, the 1914 revenue should be about \$14,000,000, or a decrease from 1913 of \$2,500,000. The price for silver has not, of course, been as high as in the two previous years, and since the war commenced in Europe there has been a further shrinkage in value. Some of the larger producers were able to ship direct to England at good prices during the early stages of the war, as there was a heavy demand for coinage purposes, and the abnormal foreign exchange situation augmented the returns from such sales. As to the future there is a wide diversity of opinion amongst the mine managers. Some are inclined to look for an advance in price, on account of the decrease in production, the difficulties in Mexico and elsewhere, and the fact that India and China will soon be requiring large quantities. Other competent authorities hold the opinion that present prices are likely to continue on account of the

general depression, and that many owners are simply denuding their properties at unremunerative prices.

In our report of last year we predicted for the Porcupine gold camp an output of \$8,000,000 for 1914, as against \$4,500,000 in 1913. In consequence of the closing down of several of the mines through lack of funds for carrying on the work the production will not reach \$6,000,000. No new mining locations of promise have been found during the year, but many of the known mines have greatly increased the quantity of ore in sight which can be mined at a profit. The year has been devoid of any outstanding developments, but the Porcupine camp appears to have settled down to steady progress and we look for considerable activity with the return of general business prosperity.

The unprecedented shipments of beef, which took place from Canada to the United States after the passing of the Underwood Tariff bill in October last year, had the effect of seriously depleting the number of stockers, feeders and milkers throughout the province. This is particularly noticeable in regard to milch cows, the decrease in this particular class being somewhat over 25,000, as against a total decrease in all classes of slightly over 24,000, the figures thus evidencing that the holdings of other cattle have been only slightly increased within the year. The movement we are pleased to note died a natural death, owing to the rapid rise in the price of beef in Canada; but it is to be regretted that in the meantime Ontario had lost so large a proportion of breeding and other stock which it could ill afford to spare. To appreciate this statement properly we may state that the records for the three months ending December 31st, 1913, show that approximately 150,000 head of cattle were exported from Ontario and Quebec to the United States, the cattle shipped being mostly of two grades, canners (*i.e.* aged cows and young bulls) and feeders (*i.e.* yearling and two-year steers and heifers). This movement cannot be better illustrated

than by comparing the figures of the receipt of cattle at the Union Stock Yards in Toronto during the three months under discussion with the corresponding period of 1912, namely:—

	1912	1913
October.....	28,817	67,444
November.....	27,466	44,923
December.....	21,336	27,214
Total.....	77,619	139,581

As to hogs, the situation may be described as unique, as during the past few years, with the exception of an odd week now and again, prices in Canada have ruled higher than in any other country in the world. To a great degree the farmer has reaped the advantage of the fact that the capacity of the packing-houses of Ontario greatly exceeds the supply of hogs and as each house naturally fixes a weekly minimum at which it should operate to be successful, the result has been keen competition between the packers and enhanced prices to the farmer. Contrary, however, to general expectations, the war in Europe, except during the first month of hostilities, has caused a reduction in the price of hogs. The British market has heretofore imported large quantities of hog products from Denmark and Holland, but in consequence of the difficulty of importing fodder and their inability to raise the necessary feed themselves, the farmers in the countries mentioned have in self defence been compelled either to export or slaughter all classes of live stock, thus causing an abnormal export to countries such as Great Britain. The immediate effect of this process was, of course, the lowering of prices.

As to the future of the live-stock industry as a whole, we are disposed to view it optimistically. The European war must eventually, and perhaps very soon, considerably reduce the supplies available from that continent, when America and other meat-exporting countries should receive higher prices for meats exported. Ontario, too, is well

provided in respect of fodder supplies for live-stock feeding. The yield of Indian corn has been generally good, as regards both cob and stalk, and supplementing, as it does, the hay, grain and root crops, it ensures an abundance of winter fodder in most quarters. Straw also has turned out to be much more plentiful than was expected earlier in the season.

The districts interested in the manufacture of cheese and other dairy products report satisfactory results. There was abundance of grass in the early part of the season, but notwithstanding this favourable condition there will be some shortage in the make of cheese as compared with that of last year. The prices realized, however, will offset this to some extent. They ranged from about $12\frac{1}{4}$ cents at the beginning of the season to $14\frac{3}{4}$ cents at the end. Soon after the outbreak of the war they suddenly jumped to $15\frac{3}{4}$ cents, but this quotation did not long prevail. The output of the cheese factories is doubtless being adversely affected by the willingness of the farmer to sell the milk to creameries to be manufactured into butter, condensed cream or milk, or to be shipped as cream to the United States.

The more important manufacturers and wholesale merchants report a considerable reduction in the volume of trade as compared with that of 1913. This state of affairs was brought about partly by the financial stringency of 1913, but chiefly by a desire on the part of responsible concerns to have a general house-cleaning and a fresh stock-taking after the speculation and extravagance which has existed for years past. The remedy applied will be quite drastic, but few doubt that the sacrifices to be made will result in a better basis for credit in the future.

The turnover of real estate shows a shrinkage of about 50 per cent. as compared with that of the previous two years. This is largely due to the disappearance of speculation in

sub-division properties near the chief centres of population. Values of business and residential properties in the better sections of the larger cities have shrunk about 25 per cent. and although some authorities look for a further shrinkage in value, we are hopeful that this will not take place and that the year 1915 will show greater activity than the latter months of 1914. The reduced cost of labour should stimulate the building trade, and in this indirect way favourably affect the real estate situation.

It is a satisfaction to know that considerable improvement has taken place during the past year in the condition of our roads, and having in view the number of unemployed, it is to be hoped that no efforts will be spared to continue the work and to complete the main highways at as early a date as possible. Arrangements for financing the construction of the highway between Toronto and Hamilton have already been completed. The actual work has been commenced, and we are hopeful that before the end of 1915 the road will have been finished. This will undoubtedly be a direct benefit to all the rural and urban communities affected.

The traffic on the great lakes shows a large falling off, incident no doubt to the depression in business and the short crops of the western Canadian provinces. The tonnage of the vessels and the quantity of freight passing through the Canadian and American canals at Sault Ste. Marie for 1913 and for 1914 compare as follows:—

<i>Canadian Canal—</i>	1913	1914
Freight.....	38,009,428	26,605,636
Vessels.....	23,039,787	16,522,625
<i>American Canal—</i>	1913	1914
Freight.....	33,067,135	24,224,972
Vessels.....	28,692,996	22,318,113
<i>Both Canals—</i>	1913	1914
Freight.....	71,076,563	50,830,608
Vessels.....	51,732,783	38,840,738

Another interesting statement shows the quantity of grain shipped through the terminal elevators at Fort William and Port Arthur up to the close of the season of navigation for 1913 and 1914:—

	1913		1914
Wheat.....	131,828,759 bushels.....		87,852,439 bushels
Oats.....	39,315,765 "		23,675,675 "
Barley.....	11,340,890 "		5,070,799 "
Flax.....	19,245,566 "		7,505,102 "
	201,730,980 "		124,104,015 "
Decrease in 1914			77,626,965 bushels

MANITOBA, SASKATCHEWAN AND ALBERTA

The year 1913 witnessed the long-looked-for collapse in real estate speculation, and thereupon the business community of the West confidently counted on being able to demonstrate to outside critics that legitimate business and real estate speculation had not been intertwined in any serious degree—that the business prosperity of the West had been founded mainly on its producing power. However, the unprecedented conditions of business depression created by the war have obscured the situation so that it is impossible at the moment to distinguish between its inherent elements and the elements traceable to the war.

The necessary readjustment of business following a reduction of building operations of all kinds in 1913 and the first half of 1914, from abnormal to normal figures, had been readily met by the commercial interests. In a newly settled community, however, the normal volume of construction work is proportionately much greater than in older communities, and consequently the complete cessation of such work all over Canada at the outbreak of the war has borne upon the West with special severity. On the other hand, the West is the home of very few manufacturing industries hard hit by the war, and had it not been

for a partial crop failure the advantage as to business conditions in the situation created by the war would probably have rested with the West.

The past season has been a poor one for agriculture, notwithstanding the high prices for grain. In some districts in the northern portion of the three provinces good crops were obtained. Over most other areas, however, lack of rain at a critical time resulted in poor yields, especially in oats and barley; while in portions of southern Saskatchewan and southern Alberta (equivalent to about one-tenth of the cultivated areas of the three provinces) the crops were a complete failure owing to a drought unprecedented in many years. Our estimate of the total crop, prepared from complete reports obtained after the results of threshing were known, is given below, together with the figures of the previous year:—

	1913		1914
Wheat.....	182,000,000	bushels	140,261,000 bushels
Oats.....	220,000,000	"	144,437,000 "
Barley.....	45,000,000	"	35,763,000 "
Flax.....	14,000,000	"	5,738,000 "

The relative values of the two seasons' crops to the farmers, deducting requirements for seed, are indicated by the following estimate:—

	1913	1914
Wheat.....	\$106,732,300	\$122,832,700
Oats.....	49,805,500	60,556,400
Barley.....	13,205,000	16,728,800
Flax.....	10,440,000	5,331,400
	<u>\$180,182,800</u>	<u>\$205,449,300</u>

It is not yet clear, however, that the actual result in purchasing power will be so favourable in 1914 as the above figures would indicate, for the reason that the quantity of grain available for sale is so much less than in the previous year, and that the grain retained for feed of stock will not show an increased profit from stock sales corresponding to the higher grain prices, unless the prices for stock should largely advance by next spring. It is to be

said, however, that live-stock authorities are agreed that stock prices, which are very low at present, must advance sharply before long.

Dairying and stock raising have continued to increase satisfactorily in all three provinces, dairy products showing a very marked growth. The gradual disappearance of the large rancher has served to prevent any considerable increase in the total holdings of beef cattle, but the steady distribution of cattle among small farmers should from now on be reflected in an annual increase in the total holdings. Hog raising has become fairly general and the increase in shipments has been enormous. The number of farmers going into sheep-raising is also steadily increasing, though this branch of the live-stock industry is not developing by any means as rapidly as could be wished, having regard not only to its profitableness directly, but to the indirect value of sheep as weed killers. Measures are called for, and will doubtless soon be taken, to promote greater development in this direction. A fair indication of the growth of the live-stock industry is afforded by the following figures of the total shipments received at the stock yards in Winnipeg for the ten months ended October 31st, 1913 and 1914, respectively:—

	1913	1914
Cattle.....	83,870 head	101,410 head
Hogs.....	142,493 "	407,136 "
Sheep.....	32,174 "	31,351 "

An unfortunate feature of the high grain prices is the likelihood of their retarding for a time further development of stock raising. The high cost of feed has already led many farmers to sell off their hogs, and some sales of breeding cattle have taken place in districts afflicted by drought. As a rule, however, farmers are showing no disposition to go out of cattle, and the worst to be feared is that the number of farmers raising cattle will not continue to increase until grain prices return to a normal

level. An organized movement to encourage all branches of stock raising, by affording financial assistance in the form of long-term loans to enable industrious farmers to acquire live stock, is more than ever needed.

The output of coal in the Province of Alberta for the past year shows a slight decrease, from 4,000,000 to 3,750,000 tons.

The cut of lumber in the three provinces for the season of 1913-14 also shows a decrease, from 244,468,000 feet to 231,223,000 feet. Very few camps are being put into the woods this winter, so that while this industry is now at a standstill, only a moderate demand will be necessary to restore prices to a satisfactory level.

Immigration to the West from Europe practically ceased with the outbreak of the war. The influx from the United States of mechanics and labourers also ceased; but while the comparative figures are not yet available, we are assured by the Commissioner of Immigration that the value of the cash and effects being brought in by land settlers month after month from the United States shows no diminution whatever. The significance of this with reference to the future outlook as to immigration can hardly be overestimated. Our reports from numerous districts also indicate that many farmers who rented their farms in order to live in the cities have returned to the land, and there has been a marked falling off this year in sales of effects by farmers throwing up the sponge. In the same connection it is satisfactory to note that the total number of homestead entries is only slightly less than during last year, the figures for the twelve months ended October 31st being as follows:—

	1913	1914
Manitoba.....	2,757	3,894
Saskatchewan.....	14,622	11,403
Alberta.....	5,420	6,085
	22,799	21,382

In order to show the extent to which the development of the West has been based on production, we have prepared the following estimate of the values of the chief products of the prairie provinces, the figures having been gathered from authoritative sources:—

Grain Crops (excluding seed and feed).....	\$157,823,000
Potatoes.....	6,826,000
Horticulture and garden.....	3,470,000
Horses sold and natural increase.....	6,350,000
Cattle, swine and sheep—natural increase.....	8,660,000
“ “ “ sold.....	35,626,000
“ “ “ butchered for farm and local consumption....	12,615,000
Wool clip.....	205,000
Dairy products.....	18,600,000
Poultry.....	6,195,000
Cordwood, poles, etc., cut by farmers.....	3,750,000
	<u>\$260,120,000</u>

Notwithstanding the partial crop failure in the past season, a pronounced feeling of optimism prevails among most of the farming community. An unusually early harvest, followed by a lengthy period of open weather, permitted farmers to do an enormously greater amount of fall ploughing than usual, and our reports indicate that the total acreage under crop in 1915 will be at least 16 per cent. greater than in the past season, which represents an increase from 20,334,854 to 23,588,430 acres. The conditions as to moisture in nearly every district are reported as being either “never better” or “never so good,” and our managers appear to be unanimous in the opinion that, profiting by the sharp lesson of the past two seasons, most farmers have done better work than heretofore in the preparation of their land for seeding. If therefore we should be fortunate enough to harvest even an average crop next season, the total yield would reach figures the mention of which at this juncture would have the appearance of exaggeration. During the past year or two farmers have been pursuing a policy of close economy and retrenchment,

and with the satisfactory grain prices which now appear to be assured, the money results of a normal crop would almost suffice to clean up their floating liabilities and to create a purchasing power in the West greater than ever before.

In order, however, to establish our agricultural industry permanently on a profitable footing, some more effective means must be found than now exist of inducing the well-intentioned and industrious element of the farming community to adopt approved methods of tillage and to balance their operations with some stock raising in all districts suited to the latter industry. Agricultural production in the West has been adversely affected in a serious degree by indifferent farming methods. As is natural enough in a country settling so rapidly, the percentage of farmers possessing an inadequate knowledge of tillage is very large, while the number of really high-class farmers is extremely small. The situation in this respect is dwelt upon by our managers year after year. We quote from four managers' reports this year which, read together, will serve to give a clear view of the common condition over most of the country:—

S.W. Saskatchewan.—"An increased production in grain could be effected by educating the farmers in proper methods of cultivating their land, and instructing them in crop rotation. A large number of the settlers never farmed until they came to this country, and have no knowledge of the manner in which their land should be prepared in order to produce results."

N.E. Saskatchewan.—"The outstanding lesson of the year's work is that right farming brings results. Notwithstanding that the district suffered, in common with most western territory, from drought, those farmers who, observing the principles of intelligent summer-fallowing, deep plowing, and energetic working of their land, have

farmed properly, have had good yields from their farms. The average yields of wheat in the district fluctuated from as low as 2 to as high as 30 bushels. A sure index of a farmer's intelligence and energy is shown by his 1914 results."

N.W. Saskatchewan.—"When driving through the country we have at times noticed glaring examples of poor farming methods, and upon this being pointed out to the farmers we find they are ready to learn better methods, but apparently do not trouble to seek information themselves."

N.C. Saskatchewan.—"The men who have good crops this season are also the men who have good crops in a wet season or in a medium season, and this fact gradually dawning on the majority will possibly in time cause them to adopt better methods and will do a great deal to increase agricultural production, but there is no organized scheme on foot here for this purpose. A few good men here do what they can to influence their neighbours to farm rightly, but it seems to us that more money might profitably be spent in sending out teachers of agriculture to improve conditions."

We repeat what we said in our report last year, that we have an excellent system of government experimental and demonstration farms in the West, as in all parts of Canada. It is beyond question, however, that at present the work of these institutions effectively reaches only that small percentage of farmers who rank in the highest class, and that there is crying need for an organization by means of which the practical information offered by our agricultural institutions may be made available to the farmers generally, and pressure brought to have it applied in some degree by every farmer possessed of the virtue of industry. If the great mass of mediocre farmers were set right as to the first principles of tillage, this alone would

enormously increase production, and would suffice, in view of the fertility of our soil, to establish agriculture in western Canada on a profitable footing.

To the unsatisfactory agricultural conditions which have prevailed during the past two or three years we owe the growing antagonism between the western agricultural interests and the commercial East. The unsuccessful farmer attributes his non-success to conditions arising from the tariff, to high interest rates, high freight rates and high cost of what he has to buy—to anything at all but the underlying cause. We can all agree that the western agricultural community will not enjoy a thoroughly satisfactory degree of prosperity until interest rates and the cost of all the goods and services which the farmer has to buy have been reduced. Nevertheless, as regards the material prosperity of western farmers, the only underlying problem facing us is how to bring about most quickly a general adoption of efficient farming methods, and so increase the profitableness of farming on the producing side. This accomplished, losses through credit extended to unsuccessful farmers would be reduced to a minimum, and there would inevitably follow a lowering of all rates and costs to the farmer.

No better illustration of the last-mentioned point could be found than is afforded by the experience of the banks. Under the conditions which have existed latterly, the losses through bad debts in western farmers' accounts by those banks which have fully recognized their obligations to finance the farming community are equivalent to at least 2 per cent. annually on the amount loaned. Reduce such losses to the trifling percentage which prevails, say, in Ontario, and the banks could afford to reduce their lending rates to western farmers proportionately. Then, too, given a condition of prosperity which would permit farmers to obtain all their credit from the banks and to pay cash for their purchases, the general storekeepers

would be enabled to lower very greatly their price lists. It is the same all along the line.

The problem of promoting farming efficiency has already been solved in the State of Wisconsin, and its solution is far advanced in other States, notably in Iowa, Minnesota and North Dakota. In order to ascertain at first hand what is being accomplished in North Dakota, where conditions are so nearly the same as in Manitoba, except for the difference in our favour in the matter of soil fertility, the Canadian Credit Men's Association appointed in October last an informal committee representing different business interests—including an official of the Manitoba Agricultural College and four men with wide farming experience—to visit that State and pursue an inquiry among the farmers themselves respecting the work carried on by the "Better Farming Association of North Dakota" through the system of employing expert field agents to seek out and advise with farmers on their own farms. The report of this committee, which has now been issued, is briefly to the effect that in their unanimous opinion the field agent plan is an unqualified success, that in North Dakota it is rapidly creating a condition of marked agricultural prosperity, and that it is obviously what is urgently needed to rectify agricultural conditions in our western provinces.

An immediate and direct result of the action of the Credit Men's Association has been an announcement by the Minister of Agriculture for Manitoba of his intention to appoint a number of field agents next spring, and there is every reason to believe that the action being taken by the Minister will be on an adequate scale.

BRITISH COLUMBIA AND YUKON

In British Columbia the declaration of war, following the financial stringency which had prevailed in the earlier part of the year, had the natural effect of a still further

contraction in business, excepting in those branches in which food products are directly involved, and we can scarcely look for any marked improvement until peace has been declared. The community, however, is of the extremely hopeful type, and it is recognized that the resources of the province have not lost their intrinsic value, and that development, merely suspended for the time, will be resumed when hostilities cease. Real estate naturally has felt the depression most, and sales, which prior to August were few, are now even more rare, though prices in the centres have not seriously weakened. Building almost throughout the province has been brought to a standstill, and the cities have unquestionably lost population. As a result rentals of all classes of properties are lower. The building permits of Vancouver and Victoria combined for recent years are as follows:—

1910.....	\$15,523,410
1911.....	21,912,957
1912.....	27,596,477
1913.....	14,461,119
1914.....	6,628,136

Considering the conditions, the payment of debts, while certainly far below the normal, is better than might have been expected. Immigration has naturally fallen off, but in this, too, a sharp recovery is looked for when conditions become settled. The municipalities of the province have shown a disposition to refrain from avoidable expenditure, although every endeavour is made to provide work for the unemployed. For this reason certain local improvements not imperatively needed have been put in hand, and the banks, with the laudable object of keeping to a minimum the number of men out of work, have modified somewhat the rigid policy, previously in force, of insisting upon firm sales of the relative debentures before they would agree to make advances for permanent improvements.

The climatic and other conditions of the province vary so widely between the Rocky Mountains and the Pacific Ocean that our reports upon the results of agriculture, cattle raising and other operations of the farm are correspondingly diversified. In the main, however, cattle raisers have done well, though the results have not been equal to those of 1913, when prices reached the record; the demand has been somewhat less and imports of Australian meats have exceeded those of the previous twelve months. There is a widespread tendency to embark more extensively in the raising of hogs, poultry and sheep, and it is hoped that this will continue. The demand for horses has been approximately 30 per cent. less than that which prevailed in 1913. It is to be noted that the number of ranches is steadily increasing in the district north of the main line of the Canadian Pacific Railway Company. The estimated holdings of cattle in the province during the years 1910-14, inclusive, are as follows:—

	1910	1911	1912	1913	1914
Horses.....	55,200	57,415	59,735	60,518	60,705
Dairy Cattle...	28,395	31,295	34,195	37,095	40,000
Beef Cattle....		105,230	101,021	100,183	99,091
Sheep.....	38,145	39,272	40,702	42,680	43,250
Swine.....		33,604	32,485	34,541	38,035

Of grain and hay, in some districts the production per acre has decreased, but this has been offset in the main by the increase in land under cultivation and by better prices; of roots, the crops have been good, but the prices realized are at present somewhat low, though increasing. It is satisfactory to note that since the cessation of speculation in the agricultural lands adjoining the larger centres, there has been a disposition upon the part of the owners to attend more closely to their legitimate business of farming. Fruit is one of our most important products, and upon it great hopes have been based, but the year has been disappointing; although the yield exceeded that of 1913,

prices have been demoralized and there is evident need of cheaper methods of production, as well as of better methods of marketing.

The output of all kinds of fish is valued at \$6,802,000 for 1914, as compared with \$8,540,000 for 1913. Of the reduction, salmon accounts for \$1,218,000—the year 1913 being that of the heavy run on the Fraser River—and halibut has fallen off to the extent of \$520,000; the cause of this is not entirely clear, but is believed to be due to an off-year. The figures of the salmon pack for the five years ending with 1914, are as follows:—

1910.....	738,485	cases
1911.....	948,965	"
1912.....	996,576	"
1913.....	1,353,901	"
1914.....	1,111,039	"

In addition to the catch on the Fraser River being below that of 1913, the run in the north owing to cold and very wet weather was below the normal. The demand in Great Britain for the better grades of salmon has not up to the present been equal to expectations, but the cheaper grades have reached the English market and the Eastern demand for those of higher class is good. In some districts the herring have practically disappeared, for the time at all events, but in others the prospects of improving the catch of this fish are distinctly hopeful. The number of whales caught this year has fallen to 564 as against 705 in 1913, a lower number than that of 1912.

Saw-milling is in a most unsatisfactory condition; no estimate can be procured of the output of this year, consequently no intelligent comparison with 1913 can be offered. Prices are lower than for many years, and 75 per cent. of the mills have closed—practically none are being operated in the interior—the larger manufacturers considering this policy preferable to running at a loss. As it is understood that the markets on the prairies are almost bare of the

product, it is hoped that later on the demand from that section will improve, and moreover, there is the expectation that arrangements will be made with Australia which will increase shipments to that market. We have again to record that American lumber—this year 140,000,000 feet—has been dumped on the prairie provinces free of duty. It is gratifying to note that the export of shingles has considerably improved. For the nine months ending June, 1913, there were shipped 18,159,825, and for the same period ending June 30th, 1914, 404,483,900 were exported. It is an encouraging feature that a large paper mill established up the coast has been steadily operated, and that the demand for the product, which is of high quality, has increased considerably.

Railway construction has proceeded somewhat slowly, but the Canadian Pacific Railway has completed the extension of forty-five miles to Courtenay on Vancouver Island, and on the Grand Trunk Pacific Railway trans-continental trains are now running. It is expected that the Kettle Valley Railway, affording a shorter route from the Boundary and Kootenay district to the coast, will be in operation in the spring of 1915, and the completion of the Canadian Northern Pacific Railway is expected to take place during the ensuing twelve months. The Pacific Great Eastern Railway, connecting Vancouver with the Grand Trunk Pacific Railway at Fort George, is also approaching completion.

The strike which, at the date of our last report, was in progress in the coal mines on Vancouver Island came to an end last August, after running for upwards of two years. The figures of the production of coal in the province during 1914 are as follows:—

	1913	1914
Coast District (long tons)	1,239,035	1,322,204
East Kootenay (long tons)	1,331,725	859,710
	2,570,760	2,181,914

It is to be noted that the figures from the mines in the interior are largely estimates, two of the companies refusing to disclose their figures. Last year the reduction in the total production, as compared with the year preceding, was due to the mines on Vancouver Island; this year, as will be observed, it is ascribable to the less extensive operations in the East Kootenay. While it is true that the strike on the Island did not end until August, the places of the strikers had been very largely filled by non-union men, and the production in consequence had not been so severely reduced. In the Crow's Nest district the reduction is due to the closing down of the principal smelters in the Boundary district, and to some extent to the extra supplies which had been laid in by the railways during the latter part of 1913, in anticipation of possible trouble with the operatives, which has not occurred. The production on the Coast has been somewhat affected by the importation of Australian coal, brought by vessels coming to port for lumber. The mines in the Ground Hog district have not yet been opened, but surveys for a railway with that end in view are now in progress, and there seems to be no doubt that this section of the country will eventually come to the front as a coal producer.

The principal copper mines in the Boundary district ceased production in August and closed their smelters, although one of the companies has since blown in two furnaces. On the other hand, the large smelter at the head of Observatory Inlet on the Portland Canal has come into operation, and is likely to be a steady producer on a large scale. There are some holders operating on smaller lines in the Boundary district with reasonably good results. During the twelve months the average price of copper was about 13.45 cents, a drop from 15.277 cents in 1913, due to the disturbance in Europe.

In the West Kootenay experimenting with a view to

the smelting of zinc is still in progress, with a prospect of good results.

Conditions in the Yukon are very much as they were in 1913, although the gold output for this year is \$4,295,396, as compared with \$5,110,000 in 1913. The supply of water has been greater than normal. Dredging still brings satisfactory results, and there has been more or less placer work on outside creeks where the prospects are reasonably encouraging. This applies particularly to the Stewart River district, which, during the year, has come more prominently to the front. From Chisana, to which we alluded for the first time in our report of last year, the information is rather conflicting, but the impression is general that the camp will not be one of great importance. There have been further discoveries in the Mackenzie River district, twelve miles from the Arctic Ocean, but these have not yet been fully tested. Quartz mines are still operated in a small way, one of silver galena showing fairly good results, and between the borders of the Yukon and the Atlin district some gold mines which have for several years been inoperative are now reported as showing up extremely well. Up to date 12,000 quartz claims have been staked in the Yukon, of which 4,000 have been maintained in good standing. Copper mining operations, which are confined to the White Horse neighbourhood, have not been continued through the season, owing to the unsettled condition of the market for this metal; there is no reason, however, to change the favourable opinions which have heretofore been formed of the prospects of these mines.

Coal is now replacing wood as fuel quite extensively owing to the rapid exhaustion of the supply of the latter, and vessel owners are considering the alteration of their furnaces so as to conform to the change. Fox farming is on the increase, and it is expected that the industry will be extended to include the raising of mink and marten. Agriculture, together with poultry-farming and the raising

of hogs, is also extending, practically all the pork consumed being of local production. General business and the payment of bills throughout the territory have been fairly good.

UNITED STATES

I.

During the past year all happenings in the financial world have been overshadowed by the European war. It is worthy of note, that even before the end of July business in general was slackening, especially in the steel industry, which reflected the very unsatisfactory condition of the railways in this country. The increase of about 5% in freight rates, however, granted by the Interstate Commerce Commission on 18th December, and applicable to the section of country between the Mississippi River and the Atlantic seaboard, north of the Potomac and Ohio Rivers, will no doubt afford considerable relief. The ultimate benefit to this country of the new customs tariff referred to in our last annual report is much disputed, but it is a pertinent fact that for the seven months ending July 31st last exports exceeded imports by about \$59,000,000 only.

With the outbreak of war came an upheaval that left the financial world paralyzed. The Stock and Cotton Exchanges were closed in this country, as they were the world over; the vast sums of money loaned in New York on "call" became time loans of indefinite period; foreign exchange was absolutely demoralized and remittances to or from other countries impossible; the banks in the clearing-house centres, with the exception of those on the Pacific Coast, arranged for settlements to be made by clearing house certificates instead of legal tenders, and emergency currency was issued. Gradually, however, things began to adjust themselves, and while conditions are yet far

from normal, the Cotton Exchange has been reopened, there is restricted trading in bonds and stocks on the Stock Exchange, the clearing-house certificates have been retired, and the redemption of the emergency currency continues very satisfactorily. The present unhealthy feature of a surplus of money, both here and in London, appears to be duly recognized as an artificial condition for which allowance is being made. The Federal Reserve Banks, under strong control, came into existence on November 16th, and while the effects of the new system, other than the releasing of vast sums hitherto held as reserves, will probably not be evident for some time, yet much good is hoped for from it. The greatest impulse to trade activity in many and diverse lines just now is from foreign demands growing out of the war, and without doubt this phase of the situation will be of incalculable value to the country. The South, however, has on its hands probably the largest cotton crop in its history, with a demand at present for only a small proportion of the amount. As in the past, also, this country must borrow enormous sums abroad to continue its normal development, and with the continuance of the war the lack of such available capital will be a very serious handicap. On the whole, while the situation seems to be gradually improving, there is still so much that is doubtful and uncertain that any attempt at the present time to draw conclusions regarding the future would, in our opinion, be futile.

Imports and exports for the eleven months ended November 30th last, and for the corresponding periods in 1912 and 1913, are as follows:—

	1912	1913	1914
Imports.....	\$1,664,270,000	\$1,608,829,000	\$1,674,896,000
Exports.....	2,148,617,000	2,250,929,000	1,868,452,000
Excess of Exports...	\$ 484,347,000	\$ 642,100,000	\$ 193,556,000

The following estimates of the leading crops of 1914 recently appeared and are compared with those of 1913:—

	1913		1914
Corn.....	2,446,988,000 bushels		2,762,804,000 bushels
Wheat.....	763,380,000 "		891,017,000 "
Oats.....	1,121,768,000 "		1,141,060,000 "
Barley.....	178,189,000 "		194,953,000 "
Rye.....	41,381,000 "		42,779,000 "
Cotton.....	13,677,000 bales		15,966,000 bales

For the eleven months to November 30th, failures numbered 14,555, with liabilities of \$296,522,000, as compared with 12,885 failures and liabilities of \$253,422,000 in 1913.

II.

In the Pacific Coast States where we have branches—Washington, Oregon and California—the general condition of business, apart from the lumber trade, has been such as to furnish no serious ground for dissatisfaction. In Washington, while we have no statistics this year of the fruit production, the season has been somewhat unfavourable to growers, because of the prevailing low prices; soft fruits suffered to some extent because of the dry weather; a large crop of apples was produced, but a considerable portion was not even boxed, and under the present market conditions will remain unsold.

For salmon the prices all round have been higher, the marked improvement being in the lower grades, which have been largely disposed of, but the better grades have been to a considerable extent carried over. The production in the Puget Sound district fell from 2,390,000 cases to 715,000, the reduction being mainly in the sockeyes, for which the present has been an off-year. In 1913 1,000,000 cases of pinks were packed, but this year none have been put up.

In the lumber market, demand and prices have been literally demoralized, and the condition of this industry

is now reported to be so unfavourable that any change cannot fail to be for the better.

In reporting upon the grain crops in Oregon, we shall include the States of Washington and Idaho, in which the production of wheat amounted to 57,000,000 bushels, less by 7,000,000 bushels than the figures of 1913. Washington produced rather more this year than last. The great bulk of this product, for which farmers are getting the abnormal price of \$1.22 per bushel, has gone to Great Britain. At date of writing over 75 per cent. of the crop has been sold, and a larger acreage will be planted for 1915. Barley and oats have been about the same in quantity as last year, but prices show some improvement. In Oregon and Washington 155,000 bales of hops have been packed, a reduction of 11,000 bales as compared with the pack of last year. The price, 10 cents per lb., is low, owing to the heavy crop in Great Britain, and at this figure there is practically no profit to the grower.

Real estate has been fairly steady and fruit growing in Oregon continues to be on the increase.

Oregon contains one-fifth of the standing timber of the United States, and stands fourth among the States in the production of lumber. Owing to business conditions, saw-milling has, as elsewhere along the coast, been at its lowest ebb. Good results are, however, expected next spring, following the opening of the Panama Canal, inasmuch as vessels going by this route can save sufficient to pay the cost of the tolls in the space otherwise required for their bunker coal, and the saving in time and cost of fuel will be entirely profit.

California has a population of somewhat less than 3,000,000, spread over an area of 155,000 square miles, but its products are valued at \$500,000,000, of which minerals, including oil, contribute \$150,000,000, orchards \$100,000,000, and the products of agriculture and cattle the remaining

\$250,000,000. Lumber is not taken into the above figures; the production usually runs from \$35,000,000 to \$40,000,000 in value, but shipments, both domestic and foreign, have been enormously reduced. The production of petroleum has been 100,000,000 barrels, approximately the same as that of last year. Owing to exceptional rainfall, crops on agricultural lands have been much increased, and fruit-growers have done extremely well; the production of cotton and rice in this State is steadily increasing.

In the Hawaiian Islands, the business of which is tributary to San Francisco, 619,000 tons of sugar were produced, the largest in the history of the islands; but owing to the unsettled conditions due to the war, prices have exhibited the wide range of from 2.92 cents to 6.52 cents per lb. The proportion of the Hawaiian crop which realized the higher figures was approximately 25 per cent., resulting in an average of $3\frac{3}{4}$ cents, which is regarded as a fair return. The growers are in excellent financial shape.

The salmon which passes through San Francisco comes mainly from Alaska, where the pack was about 25 per cent. below that of last year; prices here as elsewhere have advanced and the carry-over is somewhat over half that of 1913. Though lumbering and shipping have suffered from the effects of the war, the deposits in the National and State banks exhibit an increase of \$20,000,000.

GREAT BRITAIN

It is impossible to conceive of a greater catastrophe than the war at present raging, involving as it does all the great powers in Europe and many of the smaller states, casting its blight upon the lives and well-being of belligerents and neutrals alike, and threatening many of the

countries concerned with the gravest financial difficulties, if not bankruptcy and ruin.

The financial and commercial world, with its highly developed system of credit, was so absolutely unprepared for this devastating event that the mere threat of a general European war was sufficient to create a state of panic in all money centres. London, as the chief credit centre and the only free gold market of the world, had to bear the full force of the storm, and the complete destruction of its great fabric of credit was averted only by prompt action on the part of the Government, by the courage of the banking community and by the inherent soundness of our financial institutions. The wholly abnormal set of conditions which developed was so promptly and effectually dealt with that the acute and the subsequent stages of the crisis were successfully passed. There has been no suspension of specie payments, the credit of the country has been preserved, and in this the fifth month of the war the moratorium is at an end and trade and commerce are pursuing their usual course under conditions as nearly normal as a state of war permits.

The general outlook at the beginning of the year, both financially and commercially, was not favourable, owing to the uncertain conditions of home politics, fear of dear money, declining trade and the financial difficulties and state of unrest existing in many foreign countries. An unexpected ease in money, however, occurred late in January, and the flood of new issues which followed, while encouraging the hope of increased trade activity, threatened to congest the market and to reflect on the prices of securities. By July, however, the over-supply of securities was much lessened in volume, and a long-desired improvement in conditions generally was looked for; as money was easy, the financial situation was considered to be sound and there was little or no over-speculation in trade or on the Stock Exchange. In addition, the promise of abundant

harvests at home and abroad, the prospects of a settlement in home politics, and the hope of a satisfactory arrangement of certain economic difficulties abroad seemed to confirm this view. All these hopes, however, were shattered by the declaration of war in July.

For some days preceding the declaration of war by Austria on Servia there were evidences of increasing strain in the financial world. The heavy liquidation on the Stock Exchange started by the selling of securities for Continental account threatened serious trouble, and this acute situation was greatly intensified by the calling of loans and a complete disorganization of the foreign exchanges. Bankers and financial houses were compelled to husband their resources, and the calling of loans forced the discount market to borrow from the Bank of England, while at the same time the Bank was obliged to provide for large withdrawals of gold, chiefly for export to Continental countries. All these demands compelled the Bank to raise its rate on July 30th from $3\frac{1}{2}$ to 4 per cent., then to 8 per cent., and on August 1st to 10 per cent., on which day it was practically carrying the whole burden of the market. In the meantime securities had been forced for sale in such volume that on July 31st, the day on which Germany declared war on Russia, in self-protection the Stock Exchange closed its doors. The public generally became alarmed, and several incipient runs occurred in the banking world, this being accompanied by a tendency on the part of many to hoard gold.

The disruption of the money market and the breaking down of the exchanges caused serious difficulties for those bankers and merchants who by accepting bills of exchange on behalf of clients create the means for financing the overseas trade of the world; for not only were their clients quite unable to transfer from abroad the funds necessary to provide for the payments of these bills as they matured, but the accepting houses' own resources were rendered

immobile. As it is estimated that there were bills of this character in circulation at the time amounting to well over three hundred and fifty millions sterling, which formed the basis of security for a great proportion of the vast sums which are loaned by the banks and others at call or short notice in this market, failure to provide the means to redeem the bills at maturity would have brought about an almost inconceivable state of chaos.

The gravity of the situation so suddenly created required prompt action if total ruin of the financial fabric of this country, if not of the world, was to be avoided, and on Saturday, August 2nd, the Government, in consultation with the leading merchant bankers, proclaimed a moratorium for bills of exchange. On Monday, August 3rd, fortunately a bank holiday, the banks met in conference and demanded a general moratorium, one of their reasons for this demand being that the call loans forming their second line of reserves had been "frozen" by the bills of exchange moratorium. In order that the fullest consideration might be given to this absolutely abnormal state of affairs, the Government extended the bank holiday to August 7th, and during the interval additional measures were taken to preserve the financial stability not only of this country, but practically of the world at large. The principal measures consisted of a general moratorium for one month and the Currency Act, whilst the Government War Risk Insurance scheme was brought into operation. During this period war with Germany was declared on August 4th, and the Bank Rate was reduced from 10 to 6 per cent. on August 6th.

The bills of exchange moratorium, while temporary in character, was relied upon to preserve the credit of the accepting houses until either they were able to secure remittances from abroad or their position became more defined; the general moratorium, by affording temporary protection to the community at large, allayed the feeling of

panic and prevented runs upon the banks. The Currency Act, by which the Government took power to issue £1 and 10s. notes, convertible into gold at the Bank of England, and which empowered the joint stock banks to borrow the notes from the Government up to 20 per cent. of their deposits, provided a medium of currency which conserved the gold of the country as well as a means of assistance to the banks in case of need. The Government Insurance scheme enabled merchants to resume their trading operations, which had practically ceased owing to the prohibitive rates for war risk insurance, these being at one time as high as 20 per cent. or more.

The banks resumed business on August 7th, and by arrangement agreed not to enforce the moratorium except to prevent hoarding of gold, and as no restrictions were placed on withdrawals of funds for business purposes, public confidence was materially restored. A further reduction in the bank rate to 5 per cent., on August 8th, encouraged this sentiment, but the shadow of the great catastrophe which had just been averted still hung over the City. The money and the discount markets were practically lifeless, with the result that commerce generally was greatly affected, and in order to assist its resumption along former lines, it was considered necessary, first to re-establish the credit machinery and then to endeavour to unlock the foreign exchanges. Both were problems of very great difficulty in view of the general feeling of apprehension as to what would occur when the moratorium expired; for it was apparent that many in the financial and commercial world, especially the agencies of alien enemy banks in London, whose liabilities to the British public were enormous, would be quite unable to meet their commitments without assistance, owing to their resources being locked up at home or in foreign and enemy countries, and unless this position was cared for it would create widespread financial ruin in the City. The Government realized the urgency of

the situation, and, in consultation with the financial leaders of the City, formulated from time to time the following measures for the purpose of affording the necessary relief:—

August 12th.—Proclamation extending scope of general moratorium. Government also authorized Bank of England to discount without recourse to the holder approved bills accepted before August 4th, 1914.

August 31st.—Courts Emergency Powers Act relating to remedies for the recovery of money.

September 1st.—Proclamation extending period of bills of exchange and general moratorium, the latter to November 4th.

September 4th.—Government authorized Bank of England to provide acceptors with funds necessary to pay all approved pre-moratorium bills at maturity and to undertake not to claim repayment for a period of one year after the close of the war.

October 16th.—Arrangements made whereby the liquidator appointed for the alien enemy banks was enabled to pay their acceptances in full.

November 2nd.—Arrangements made between Government and banks and Stock Exchange whereby under protection afforded by Courts Emergency Act the necessity of forced realization of securities held as cover for stock exchange loans was avoided, the Stock Exchange not to be re-opened without the consent of Government.

November 4th.—Government scheme for making advances in approved cases to British traders carrying on an export business in respect of debts outstanding in foreign countries and the colonies.

November 16th.—Government scheme for enabling the Liverpool Cotton Exchange to be re-opened by authorizing advances required to meet market differences from 5d. per pound downwards.

The effect of these very practical measures has been beneficial in the highest degree—credit was revived, the money and the discount markets were re-established and the discounting of pre-moratorium bills at the Bank of England increased the floating supplies of money to such an extent that deposit rates were reduced to 2 per cent. and call and short loans have for some months past been obtainable at 1 to 2 per cent. Trade, which had become much restricted owing to the necessity of working on a cash basis, due to the cancellation of credits and a breakdown of the foreign exchanges, has gradually recovered and the creation of new bills has been encouraged by the restoration of credit throughout the loan and discount markets. The working of the foreign exchanges, which, as one writer remarks, "resembles the pulse of the nation, exhibiting the degree of vitality, the state of health or weakness in the economic condition of the State," has steadily improved, but owing to the moratoria and other difficulties still existing in many European and other countries, they are, with the exception of those with Canada and the United States, far from normal, and the following comparative table illustrates this:—

	Rate just Prior to War.	Since War		Present Rate (Approximately) December 9th
		Lowest	Highest	
Paris.....	25.18	24.00	25.50	25.04
Amsterdam.....	12.14	11.70	12.60	12.00
Switzerland.....	25.18	24.00	26.00	25.50
Italy.....	25.30	24.00	28.50	25.60
Madrid.....	26.15	24.45	26.80	26.
Petrograd.....	96.10	108.	125.	118.
Scandinavia.....	18.25	18.30	19.30	19.30
Montreal cable.....	4.89	4.87	6.	4.88½
New York cable.....	4.88½	4.87	6.	4.88
Rio de Janeiro 90 d/s..	15d.	nom. 10¾	14¾	14.

An additional problem which the Government had to solve was that of financing the war. In the initial stages this was accomplished by issuing £90,000,000 of six and twelve months' treasury bills. Later on, after the stock exchange difficulties had been arranged, a War Loan of £350,000,000 consisting of $3\frac{1}{2}$ per cent. Stock repayable 1925-28, was issued at 95. Although the largest loan recorded in the history of finance, it was a great success, being well over-subscribed, its popularity being due to the fact that it yields close to 4 per cent. per annum, and the Government is to be congratulated on the success of the issue. By these operations not only has the war been financed for many months to come, but, in addition, the Government has been able to grant assistance to Belgium and other allies, as well as to provide for the war expenditure of the Dominions beyond the seas. Canada's share is reported to amount to £12,000,000.

The above is a *résumé* of the principal steps taken to relieve the trade and commerce of Great Britain, and the successful result redounds to the credit of the Ministers and of the leaders of finance in the City, and affords in a marked degree proof of their undaunted courage, wisdom and ability in meeting, and so successfully dealing with, the enormously complicated problems which sprang into existence at this highly critical period in the history of the Empire.

First among the many important points which developed as a result of the war was the question of the gold reserve of the country. As already stated, at no time were specie payments suspended, and Great Britain, in its rôle of chief creditor nation of the world, has continued to attract bullion from every free gold country, with the result that since the war began there has been an enormous accumulation of gold at the Bank of England. The following figures of the Bank's position just prior to the war, shortly after its inception and on December 9th, the latest return

available, will prove most interesting, as they illustrate in a striking manner the ebb and flow which took place in the financial tide of this country:—

	July 22nd	August 8th	December 9th
Coin and Bullion.	£40,164,341	£27,622,069	£ 71,452,773
Circulation	29,317,290	36,105,420	35,751,370
Deposits	55,920,690	68,249,062	165,924,217
Securities	44,537,888	76,392,808	129,559,651
Reserve	29,297,051	9,966,649	54,151,403
Rates of Reserve.	52 $\frac{3}{8}$ per cent.	14 $\frac{1}{4}$ per cent.	32 $\frac{3}{8}$ per cent.

In addition to the gold held as shown above, a sum of £15,500,000 has been reserved as cover for the Government Currency Note issue, of which over £34,500,000 was outstanding on December 4th, convincing proof that the £1 and 10s. notes have served the double purpose of conserving the gold of the country and assisting the Government in its financial operations. So successful have these notes proved that there seems every reason to believe that they will find a permanent place in the currency of the country.

The vast increase in the visible gold supply since the war began, amounting to over £59,300,000, is a tribute to the strength and soundness of the economic position of the country. In order to facilitate the accumulation of gold, arrangements were made early in the course of the war for gold coin and bullion to be deposited in Canada, South Africa and Australia against payment of the equivalent here, thus avoiding the risk of loss involved in its transport overseas. Accordingly, the following figures of the actual imports and exports of gold during the past eleven months do not show the gold owned by the Bank of England which is stored abroad:—

	Imports	Exports
1910	£57,321,767	£50,898,445
1911	48,693,753	40,100,540
1912	52,688,881	46,938,469
1913	59,533,549	46,538,469
1914 (11 months)	50,067,108	30,071,352

The ordinary import and export trade of the country, which had been fairly well maintained during the first half of the year was enormously affected by the war, and ever since heavy decreases have been reported each month. With the Baltic and practically all northern Europe closed, and with economic and other difficulties, owing to restrictions imposed by the war, checking trade in other directions, it is surprising that the results are no worse. A comparison of the import and the export figures is appended, and it is noteworthy that the falling off in imports is largely caused by the decline in the shipments of raw cotton and of German unmanufactured and manufactured materials, although, on the other hand, imports of foodstuffs, in the supply of which Canada holds a higher place than ever before, have been maintained at a high level. In exports, manufactured goods and raw materials usually taken by the Continent account for most of the decline. The following figures do not include imports and exports of gold and silver bullion:—

11 months ending	Imports	Exports, including Re-Exports
November, 1911.....	£615,674,630	£509,751,531
November, 1912.....	670,883,764	548,570,962
November, 1913.....	697,931,963	582,061,691
November, 1914.....	629,945,300	493,570,837

A fall in the price of commodities occurred during the first half of the year, which in a measure, accounts for some of the decline in trade, but this is off-set by the recent rapid rise all round since war broke out, as is evidenced by the following comparative statement of index numbers taken from the "Economist":—

Average for 1901-5.....	2,200
Average for 1912.....	2,713
Average for 1913.....	2,693
First half 1914.....	2,593
Third quarter 1914.....	2,681
October, 1914.....	2,732
November, 1914.....	2,760

The increased floating supply of money resulting from the influx of gold and the discounting of pre-moratorium bills is reflected in the deposits of the banks, and the following figures as published by the chief London clearing banks, when compared with those of last June and of previous years, demonstrate the great increase during the past few months, both in deposits and cash reserves:—

	Deposits, etc.	Acceptances, etc.
October, 1905.....	£374,647,984	£21,631,309
October, 1912.....	525,750,595	38,179,184
October, 1913.....	542,985,819	37,737,780
June, 1914.....	585,640,809	34,061,626
October, 1914.....	639,216,386	28,171,327
November, 1914....	657,067,160	30,522,906

	Cash in Hand, etc.	Cash at Call, etc.
October, 1905.....	£58,296,834	£51,462,659
October, 1912.....	80,292,339	70,650,871
October, 1913.....	83,969,012	66,005,052
June, 1914.....	91,176,247	77,912,160
October, 1914.....	142,180,056	75,127,917
November, 1914....	157,949,599	74,200,644

The total deposits of the banks in the Kingdom are reported to have amounted to £1,100,000,000 on June 30th last; the December return accordingly will be awaited with great interest. The striking decrease in the amount of acceptances is certainly one evidence of the decline in the volume of the trade of the country, as well as the restriction of a large portion of it to a cash basis.

A comparison of the Bankers' Clearing House returns is of value, for they also reflect the effect of the war on the general business of the country:—

1911	£14,613,877,000
1912	15,961,773,000
1913	16,436,404,000
1914 (11 months).	13,809,772,000

The effect on the rates for money of the financial measures rendered necessary by the war has already been mentioned, and the condition of somewhat abnormal ease which has

prevailed for some weeks past has created a wide margin between Bank and discount rates and the quotations for short money and deposits, the result of which should be reflected in the profits of the banks. It is expected, however, that the end of this period of ease is in sight, for the market should soon begin to feel the full effects of the measures adopted to finance the war. The following statement of the average rates for money and discount is worthy of attention:—

	Bank Rate	Three Months' Bill Rate	Market Rate for Short Money	Banker's Deposit Rate
1911.....	£3 9 4	£2 18 5	£2 6 8	£1 19 4
1912.....	3 15 5	3 12 7	2 19 11	2 5 11
1913.....	4 15 5	4 7 5	3 15 10	3 5 3
1914 (6 months ending June)...	3 4 7	2 10 2	2 2 7	1 14 7
1914 (5 months ending November)	4 16 6	3 7 6	2 11 5	2 9 5

That there has been an enormous depreciation in the value of securities is well known, but owing to the closing of the Stock Exchange and the arrangement with the Government, whereby the minimum prices of many quoted securities are fixed at the prices current on July 27th, it is useless to attempt to form any estimate of this loss. The following figures of the quoted value of 387 representative securities, taken from the "Bankers' Magazine," exhibit the rise which took place in February and the value just preceding the outbreak of war.

December, 1909....	£3,711,000,000
December, 1912....	3,527,000,000
December, 1913....	3,341,000,000
February, 1914....	3,455,000,000
July, 1914.....	3,370,700,000

During the first six months of the year the amount of new capital offered for subscription totalled over £160,000,000, the largest figures on record, and in order to

secure this enormous sum borrowers had to concede increasingly favourable terms. Trustee securities were issued at a price to yield well over 4 per cent., thus forcing all the provincial, municipal and other first-class securities which Canada has to offer to a $4\frac{1}{2}$ or 5 per cent. basis. The war practically put a stop to all business of this character, and since August very few issues have been made, but the total for the year will create a record, owing to the inclusion of the War Loan. It should be stated that the bulk of the securities issued were of the highest class. The following figures, showing the destination of the capital subscribed this year, are supplied by the "Statist":—

	Year 1912	Year 1913	11 months to November 30th, 1914
United Kingdom.....	£ 51,294,436	£ 49,236,982	£374,780,697
India and Ceylon.....	4,391,320	3,752,909	7,404,298
Canada.....	37,400,488	66,255,540	44,339,905
British Possessions....	22,615,561	28,701,212	32,967,423
Foreign Countries....	95,635,175	97,958,945	69,276,619
	£211,336,980	£245,905,588	£528,768,942

It is to be noted that Canada again shared to a very considerable extent in the fresh capital subscribed by this country, and while the issues were largely composed of government, municipal and railway securities, their favourable reception was fresh evidence of the faith of the public here in the future of the Dominion.

It is impossible at the moment of writing to attempt to forecast the future of the securities market. The Stock Exchange remains closed at the pleasure of the Government—although the brokers continue to transact business in their offices—and in order to prevent forced liquidation, as well as to support the arrangement for carrying brokers' loans until after the end of the war, minimum prices based on the quotations as at July 27th have been fixed for many securities; but owing to the fixed price in many instances

exceeding the actual value of the security, and the determination on the part of the leading firms not to incur any new liabilities until those covered by the above-mentioned arrangement have been liquidated, cash transactions only are the rule of the day. All these factors accordingly strengthen the current impression that the issue of any new securities will meet with difficulty, if not prove impossible, until the Stock Exchange is reopened and the usual machinery for underwriting and carrying stocks is re-established.

As regards the future generally, it is impossible at the present time to speak with any certainty. The expenditure of vast sums of money on the war will undoubtedly have a serious effect on investment values, but to what extent is contingent upon the duration of the war, the prolongation of which depends upon the ability of the belligerents to continue to meet the enormous drain of men and money. That the Allies are best equipped for these sacrifices is every one's conviction, and that in the end they will be successful is the confident hope of the whole Empire.

